

SCM Microsystems Introduces Mobile, Contactless, Multi-Application Solution for Secure Access and Payment Transactions

Takes Equity Stake in TranZfinity Intended to Promote Contactless Authentication Devices

ISMANNING, Germany, October 7, 2008 – SCM Microsystems, Inc. (NASDAQ: SCMM, Prime Standard: SMY), a leading provider of solutions that open the Digital World, today introduced *@MAXX™ prime*, the first product of a new family of portable USB devices that enable secure electronic transactions, secure data storage and secure access. The entire range of new SCM *@MAXX* devices are expected to include secure smart card functionality alongside flash storage to provide strong, mobile authentication for a range of electronic applications, including financial services, transportation, e-payment, PC and physical access, digital signature and public key infrastructure (PKI).

Immediately available is SCM's *@MAXX prime*, a device that offers a unique combination of fixed and expandable memory space along with a reader for small SIM-sized dual interface smart cards (ID-000), with a built in antenna and supporting both contact and contactless technology. *@MAXX prime* also includes on-board flash memory, a microSD card reader and expansion capabilities via a female USB connector. Based on the *@MAXX* family concept, *@MAXX NFC* is planned to be introduced later this year. *@MAXX NFC* will enable NFC-based applications on mobile phones and other devices lacking NFC capabilities. SCM plans to introduce further *@MAXX* models next year.

"Multiple secure applications can be implemented with *@MAXX prime* – something that is achieved due to the unique product architecture," said Felix Marx, chief executive officer of SCM Microsystems. "Our *@MAXX* devices enable secure access and secure transactions for a variety of markets, including mobile payments, on-line security, on-line banking and transportation. Hence, the reality address the growing global demand for a mobile, contactless solution that will allow people to securely conduct all their daily business using one device – from managing their data, to riding the train to work, to entering the workplace, to checking their bank balances, to paying for dinner."

When connected to any free USB port and used with smart card technology, SCM's *@MAXX prime* can provide strong authentication for access to PCs and networks, as well as digital signature and encryption tools. It can also provide secure PIN protection for accessing on-board portable flash data storage. When unconnected, *@MAXX prime* provides contactless smart card functionality, which can facilitate contactless payment or contactless physical access to buildings. As a result of these features, *@MAXX prime* is well suited for use in business as well as in the private environment. For example, in an enterprise environment *@MAXX prime* could be used

to authenticate an employee's identity and grant entry to the corporate campus; to securely log on to both the employee's PC and the corporate network; to securely store documents or presentation materials; and to make contactless payments at the company cafeteria. In addition, the same *@MAXX prime* device can be used to securely access the employee's bank accounts and to enable other contactless applications such as e-payment or loyalty programs.

To further expand the capabilities of and bundle services to *@MAXX prime* and other planned products in the *@MAXX* family, SCM has invested \$2.5 million to acquire an equity stake in TranZfinity, Inc., a privately held company based in Carlsbad, California that develops trusted devices and associated services for secure access and electronic transactions.

"Our cooperation with TranZfinity has been very successful to date," said Marx. "TranZfinity's services and applications roadmap complements SCM's contactless strategy and should enable us to quickly introduce new multi-application solutions for a variety of market verticals, such as m-commerce, logical and physical access, banking and loyalty. Additionally, TranZfinity's global services platform of application software and services will provide our *@MAXX* customers with a secure 'marketplace' in which service providers and end users can transact business. Our investment in TranZfinity supports our mutual work together while enabling SCM to participate in TranZfinity's success."

@MAXX prime is available immediately worldwide. More information can be found at http://www.scmmicro.com/security/usb_token.html.

About SCM Microsystems

SCM Microsystems is a leading provider of solutions that open the Digital World by enabling people to conveniently access digital content and services. The company develops, markets and sells the industry's broadest range of contact and contactless smart card reader technology for secure PC, payment systems, network and physical access, and digital media readers for transfer of digital content to OEM customers in the government, financial, enterprise, consumer electronics and photographic equipment markets worldwide. Global headquarters are in Ismaning, Germany. For additional information, visit the SCM Microsystems web site at www.scmmicro.com.