



News Release

February 26, 2007:

Canadian Smart Card Market Set for Take-off

– More than 100 million smart cards forecasted to be in circulation in Canada by 2011 –

(Oakville, Ontario – February 26, 2007) – The number smart cards in circulation in Canada is expected to reach 110.2 million cards by 2011, representing a growth of 53% per year over the next five years, according to a recently released market research report titled **"Prospects for the Chip Card Market in Canada: 2007"**, published by Technology Surveys International Inc.

"By 2011, payment smart cards will account for 90% of the annual demand for smart cards in Canada", notes Christie Christelis, President of Technology Surveys International Inc. "While EMV migration is by far the most significant smart card initiative on the horizon for the next five years, transit and security will increase their importance in the market over that time."

Key findings of the study are:

- The Canadian market is on the eve of dramatic expansion, with the number of cards in circulation forecast to grow at a rate of more than 50% per year for the next five years.
- By 2011, more than 110 million smart cards will be in circulation in Canada.

EMV Migration in Canada: Challenges and Opportunities

- The surge in demand for smart cards is being led by Canada's EMV migration program, implementation of automatic fare collection systems by a number of transit authorities, and the use of smart cards for secure electronic travel documents (e-passports)
- The number of payment cards in Canada will exceed 132 million units by 2011 (including smart cards and magstripe cards)
- GSM SIM cards and smart cards used for conditional access for satellite television will remain important market segments
- Demand for terminals and card acceptance devices will accompany the proliferation of cards in Canada, as large scale card issuance programs are rolled out
- Wireless payments is an important growth area that may overtake the planned rollout of EMV contact smart cards
- Suppliers are gearing up for the surge in Canadian smart card demand with new entrants emerging at all levels in the value chain
- There are a number of important opportunities for convergence with EMV-based payment applications emerging on the Canadian market, most notably in the areas of transit and loyalty

Prospects for the Chip Card Market in Canada: 2007, is the most comprehensive and authoritative strategic market analysis and forecast available on the Canadian smart card market. Based on interviews with more than 85 key executives in the industry, as well as on extensive secondary research, the report provides subscribers with the essential information that they need to succeed in this rapidly developing market. The Canadian smart card market is unique, both in the way in which the market is developing, and in how the supply structure is adapting to meet expected surge in demand for smart cards, terminals and related systems. This report positions the Canadian market in the context of global smart card market developments, examines important technology trends influencing the Canadian market, and provides subscribers with an in-depth assessment of the opportunities for smart cards in Canada in different applications sectors, together with insightful analysis of the

EMV Migration in Canada: Challenges and Opportunities

challenges facing the deployment of smart card systems in these areas.

Published by Technology Surveys International Inc. (TSI), this detailed 209 page report is a complete update of the 2000 edition of the study.

About Technology Surveys International Inc.

Technology Surveys International Inc. (TSI) is a leading technology market intelligence company based on Oakville, Ontario, Canada. Established in 1995, the company has been tracking developments in the plastic card, smart card and payment systems markets in Canada and globally for the past twelve years. TSI focuses on technology-driven industries ranging from IT and telecommunications to advanced materials and biotechnology. For more information, please visit our website: www.tsiglobalnet.com.

Media Contact Information:

For interviews please contact:

Christie Christelis,
President,
Technology Surveys International Inc.
Tel: +1 905 339 0109
e-mail: Christie@tsiglobalnet.com