

10 JUNE 2009

INTERCEDE GROUP plc
('Intercede', 'the Company' or 'the Group')

Preliminary Results for the Year Ended 31 March 2009

Intercede, a leading international developer and supplier of software for identity and credential management, today announces its preliminary results for the year ended 31 March 2009.

SUMMARY

- Sales revenues have more than doubled from £2.8m to £5.7m.
- Full year profitability reported at all levels:
 - o Operating profit of £1.5m (2008: loss of £0.1m)
 - o Profit before tax of £1.4m (2008: loss of £0.2m)
 - o Profit for the year of £1.7m (2008: loss of £0.1m)
- Cash inflow of £2.6m (2008: £0.5m) during the year which includes £0.1m from the issue of shares (2008: £0.7m).
- Cash balances of £3.7m (2008: £1.15m) and convertible loan notes of £1.9m (2008: £1.8m) at the financial year end.
- All external borrowings subsequently eliminated following the decision of the convertible loan note holders to convert their loan notes into equity.
- Repositioning of MyID from being a smart card management system to a fully featured Identity and Credential Management System.
- Contracts signed in support of two national ID card programmes, several public sector projects and a large defence contractor.

Richard Parris, Chairman & Chief Executive of Intercede, said today:

“This was the year when Intercede bridged the chasm between market opportunity and commercial success, resulting in a rapid increase in profitability. We have spent a number of years laying the foundations for future exploitation of the identity security market, which we always believed would present a major commercial opportunity.”

“These results demonstrate that our product is now being adopted as the security management system of choice by governments and large corporations all around the world. Demand continues to be strong and, with cash in the bank and a healthy pipeline of business, we are extremely optimistic about our future prospects.”

ENQUIRIES

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About Intercede

Intercede is the producer of the MyID® Identity and Credential Management System (IDCMS). Intercede's MyID is the only IDCMS software product that enables organizations to easily and securely manage the identities of people and their associated identity credentials within a single, integrated, workflow driven platform. This includes enabling and managing: secure registration, biometric capture, application vetting and approval through to smart card personalization, issuance and management.

Intercede's MyID is being used around the world by large corporations, governments and banks to manage millions of identities for employees, citizens and customers. Notable deployments in the US include 10 Federal Agencies, a programme with Lockheed Martin and two major US financial institutions. In Europe and the Middle East, Intercede's MyID is being deployed in support of government identity, health and corporate employee ID security projects.

Intercede and MyID are registered trademarks or trademarks in the UK, US and/or other countries. For more information visit <http://www.intercede.com>.

INTERCEDE GROUP plc
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Preliminary Results for the Year Ended 31 March 2009

Chairman's Statement

Intercede is a leading international developer and supplier of software for identity and credential management. This software is branded as the Intercede MyID Identity and Credential Management System. MyID is a commercial-off-the-shelf product that incorporates more than 200 man years of continuous development and improvement. Intercede has licensed the use of MyID to governments, public authorities and companies around the world to improve the level of identity assurance of their citizens and employees.

Operational Highlights

During the year, Intercede's business model has been further proven and significant progress has been made across many areas including:

1. Sales revenues have more than doubled from £2.8m to £5.7m.
2. Full year profitability reported at all levels for the first time since IPO in 2001:
 - Operating profit of £1.5m (2008: loss of £0.1m)
 - Profit before tax of £1.4m (2008: loss of £0.2m)
 - Profit for the year of £1.7m (2008: loss of £0.1m)
3. £2.6m of cash generated during the period (2008: £0.5m).
4. More than £1m of revenue secured in the period from major government customers via Intercede's partnership with Thales.
5. A contract with a regional integrator to supply a system to support the national ID card programme of a Middle Eastern country.
6. A contract to supply the management system to support the internal identity badge of the world's largest defence contractor, Lockheed Martin.
7. The transfer of the contract for the support of the US Transportation Worker Identity Credential (TWIC) from an Intercede distribution partner to Intercede. As a result of this change, Intercede now holds a direct multi-year contract with Lockheed Martin, the prime US government contractor for the TWIC project. To date, in excess of 1 million TWIC cards have been issued to dock workers at more than 100 ports across the US and overseas.
8. Intercede's VeriSign and SafeNet partners continue to sell MyID licences to US Federal agencies, US state governments and US military bases.
9. The UK National Health Service programme has been transitioned from being a contract between BT and an Intercede partner to Intercede having a direct contract with BT, the NHS prime contractor.
10. The sale of MyID and associated services to support additional public sector customers in the UK, Greece, Slovakia, Australia, the Netherlands and Switzerland.

Results

£'000	Year ended 31 March		
	2009	2008	2007
Revenue	5,701	2,805	2,620
Gross profit	5,660	2,775	2,546
Operating profit/(loss)	1,487	(102)	(349)

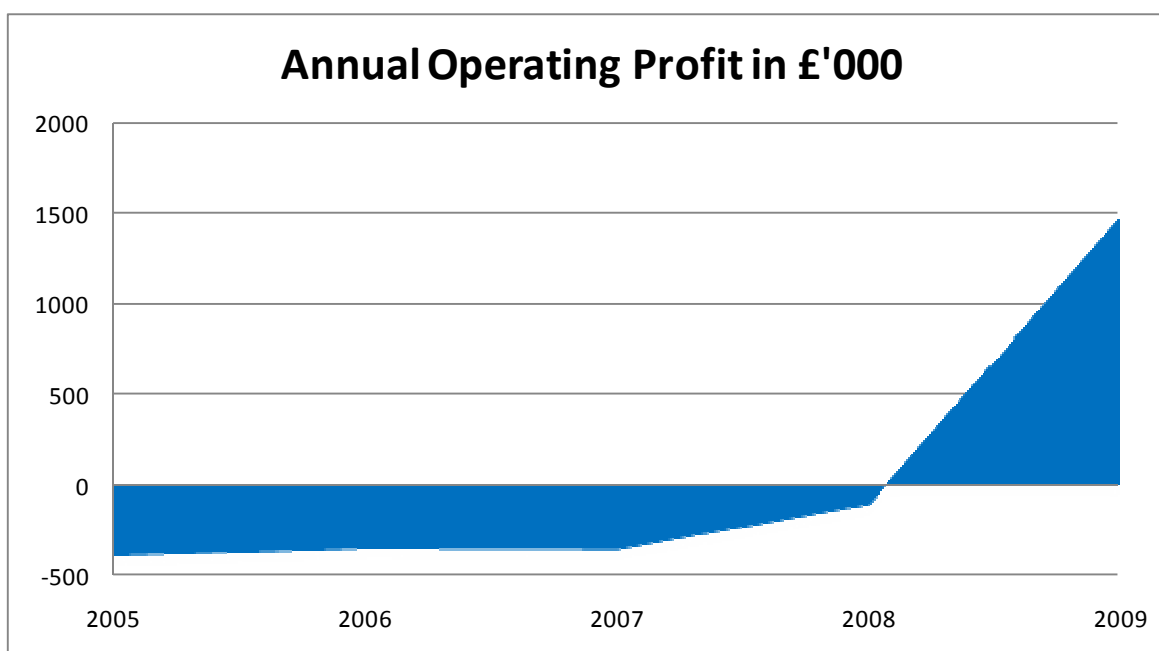
In the year ended 31 March 2009, sales revenues more than doubled from £2,805,000 to £5,701,000 at a gross margin of 99%. During the period the largest single project represented less than 25% of total revenue. Geographically, Intercede's home market in the UK remains important and contributes 44% of the Group's revenues. However, other markets are growing: the US generated 37% of sales revenues with the remaining 19% being generated across a wide range of European and Australasian customers. This diversity of customers and territories provides resilience against macro-economic risk and currency fluctuations.

Another major transition to occur this year has been the signing of a number of direct contracts with large systems integrators and end-customers who had previously been serviced by Intercede's OEM partners. This has already had the benefit of increasing Intercede revenues. It also gives Intercede more control of its most important accounts and strengthens the visibility of the Intercede MyID brand.

Whilst costs have continued to be tightly controlled throughout the period, good progress has been made organically growing the expertise within the Group to handle the additional workload generated by the growth in sales revenues.

An operating profit of £1,487,000 has been achieved, reversing the prior year operating loss of £102,000. The cash inflow from operating activities for the year was £2,450,000 compared to a £207,000 outflow in the previous period. As at 31 March 2009, the Group had cash balances of £3,711,000 (2008: £1,153,000). Our cash position remains strong given that, as announced on 1 June 2009, all of the holders of the convertible notes elected to convert their loan notes into equity instead of being repaid.

The Group has moved to a position of profitability over the last 5 years. The trend line shows how Intercede has now 'crossed the chasm' resulting in a rapid increase in profitability.



Product Development

Last year I reported that a major thrust of Intercede's product development strategy was the repositioning of MyID from being a smart card management system to a fully featured Identity and Credential Management System. I am pleased to say this strategy has been vindicated with more than 30% of revenues in this year being attributable to the new identity management functions within the MyID v8 platform.

Intercede is continuing to design the MyID platform to take full advantage of the latest industry standards. This maximises interoperability and future-proofs the solutions we deliver to our customers. As evidence of this commitment, Intercede became a full member of the smart card industry's GlobalPlatform organisation in October 2008.

Intercede's participation in several large scale national identity programmes during the year has given rise to a significant increase in the functionality within the MyID platform, especially in the area of multi-application smart card support. These project specific developments will be incorporated in the standard MyID product for the benefit of all our partners and customers during the next 12 months.

Finally, Intercede continues to invest in its integrators' toolkit. This is a tool that accelerates Intercede's own project specific customisation activities and provides integrators with a platform for rapid application development.

Strategy

In our statement last year, we highlighted that in the 2008/09 year the Group would be focusing on executing its strategy to achieve profitability by:

- Adding to our current list of major projects wins;
- Refocusing our channel strategy to improve Intercede's margins on existing business;
- Adding additional sales channels to attack new markets in different sectors and regions;
- Becoming recognised as a major player in the Identity Registration and Enrolment market space; and
- Expanding our professional service capabilities to better support our largest customers and to provide enhanced feedback to our product management team.

After 12 months of further progress, and notwithstanding the impact of the global financial recession, the Group's success in executing this strategy can be summarised as follows:

- Contracts signed in support of two national ID card programmes, several public sector projects and a large defence contractor;
- Lockheed Martin, BT and the US Environmental Protection Agency have all been successfully transitioned from being customers of Intercede OEM partners to being direct Intercede customers;
- New channel partners have been added in the Middle East and the US;
- Over 30% of revenues in the current year have been generated from Intercede's expansion into the Identity Registration and Enrolment market; and
- Three additional technical consultants have been retained in the US along with a further two UK based professional service and project management staff to better support the growing revenue stream.

The success of this strategy is based upon product and service delivery excellence. In both of these respects, Intercede has an impressive track record. Furthermore, a programme of continuous product development and new innovation continues to ensure that Intercede remains a leader amongst its global competitors.

The Group's business plan in the coming year is to build on this year's success by executing the following strategy:

- Continue to successfully deliver existing large projects that cross the financial year end;
- Secure new large scale public sector projects from governments worldwide;
- Further expand our market penetration in the US;

- Capitalise on our new business in the Middle East and Australia to win additional contracts in these regions; and
- Refocus Intercede's supply chain development efforts onto those partners who are prepared to invest in product training and marketing. It is also critical that they have the technical expertise to excel in project delivery and customer care.

Outlook

After several years of early stage development, the identity and credential management market has entered a more rapid growth phase. This has been the year when Intercede has 'crossed the chasm', as the niche market in which the Group operates transitions from being driven by innovators and early adopters to being pulled along by the early majority of mainstream customers. As a result, Intercede's revenues have more than doubled year on year and the sales pipeline has continued to strengthen.

In spite of the global recession, the outlook within the identity industry is exciting as an increasing number of large scale Government Public Sector projects are being launched in the US, Europe and other regions. There is also good growth potential in a number of industrial sectors, such as defence and energy. Intercede is well positioned, through its market leading MyID products and channel partner network, to exploit these emerging opportunities.

Against the background of billions of identity cards to be issued globally over the next ten years, Intercede and its MyID platform is in an excellent position to benefit from this burgeoning market.

At a time of macro-economic turmoil and global recession, Intercede has seen a major upswing in its revenues and profitability. At the same time, the credit squeeze means that any potential new market entrants are less likely to be able to obtain development funding and more likely to buy external solutions than invest in building their own. The Board therefore believes Intercede is very well positioned to continue its growth notwithstanding these challenging times.

We look forward with confidence to reporting on our progress during the current year and beyond.

9 June 2009
Richard Parris
Chairman & Chief Executive

Business and Finance Review

Introduction

Intercede has delivered a substantially improved financial performance in the current financial year. This acceleration in growth reflects the continued momentum from the Group's involvement in an increasing number of projects around the world with a consequential increase in revenues from software licence sales, associated support & maintenance and the delivery of ongoing professional services assistance.

Business Development

It is the nature of new technology in an early stage market that the investment is front end loaded. This is the case, both in respect of the extent to which products have to be proven at proof of concept and pilot phases prior to roll-out or, at the other end of the spectrum, the level of functionality required to start to make repeat volume sales of the same product.

In both respects, Intercede continues to make major progress.

In last year's Business and Finance Review, I stated that the momentum is clearly building and the Directors are increasingly confident that this will be reflected in the Group's future financial performance as more and more projects move beyond the initial proof of concept and pilot phases. That has proven to be the case over the past 12 months when, as outlined in the Chairman's Statement, existing projects have continued to plan and new projects have continued to be won.

It is also important to note that the nature of these projects, which are infrastructure related, means that they can realistically be expected to deliver revenues over many years. Intercede's MyID software manages the secure registration, issuance and lifecycle of digital identities for a wide range of uses. This requires the integration of multiple technologies and products from many different vendors, including smart cards, biometrics, digital certificates, Open Platform applets and physical access control systems. Requests for professional services assistance are an ongoing feature of major projects in addition to revenues from further licence sales and support & maintenance renewals.

The past 12 months have also resulted in a further substantial strengthening and broadening of the Group's historical card management offering. Following the launch of MyID 8, contracts have been won to supply the Intercede MyID Identity and Credential Management System in support of two national identity card programmes. The work to date on these projects has resulted in a significant increase in functionality which will be incorporated in the standard MyID product, further strengthening our offering.

The combined effect of project wins and product strengthening continues to be reflected in a growing level of interest in MyID from existing and potential new industry partners. The nature and extent of project wins over the past 2-3 years has established MyID as a market leader in its own right and an increasing proportion of Intercede's industry partners are marketing and selling the Group's technology under the MyID name. The consequential benefit from Intercede receiving a greater share of the contract value has also contributed to the Group's improved financial performance.

The Group enters 2009/10 with a stronger pipeline than ever before, both in terms of the nature and scale of individual opportunities and in terms of the probability of success. The current pipeline contains a high level of forecast revenue from projects we have already won (ie additional revenues from existing projects) quite apart from other projects that we are still bidding for.

Whilst experience tells us that project delays can and will happen for a variety of reasons, we remain focused on the action we can take to ensure that we are best placed to deal with any changes.

Financial Results

The financial results outlined below reflect the continued momentum from the Group's involvement in an increasing number of projects around the world.

	Year ended 31 March 2009 £000	Year ended 31 March 2008 £000	Change %
Revenue	5,701	2,805	103.3
Gross profit (%)	5,660 (99%)	2,775 (99%)	104.0
Operating costs	(4,173)	(2,877)	(45.0)
Operating profit/(loss)	1,487	(102)	1,557.8
Earnings/(loss) per share	4.7p	(0.2)p	N/A

Whilst sales revenues and gross profit have more than doubled year on year (with gross profit margins remaining constant at 99%), the increase in costs has been restricted to 45%. As a result, the larger part of revenues and gross profits has dropped through to the bottom line thereby enabling the Group to deliver its first full year profit since admission to AIM.

Staff costs continue to represent the main area of expense representing 76% of the total operating costs (2008: 81%). The average number of employees increased from 40 to 47 year on year.

The net finance cost for the year was £79,000 (2008: £75,000) and £61,000 was received from HM Revenue and Customs in respect of R&D tax credits (2008: £90,000). £3,506,000 of prior year tax losses remain available for utilisation against future year's profits (2008: £4,862,000). A further tax credit totaling £280,000 reflects the recognition of a deferred tax asset in respect of these prior year losses (2008: £nil).

A profit for the year of £1,749,000 resulted in a basic earnings per share of 4.7p (2008: 0.2p loss). Having regard for the convertible loan stock and share options outstanding as at 31 March 2009, the fully diluted earnings per share is 3.6p (2008: 0.2p loss).

Funding

As at 31 March 2009, the Group had cash balances totaling £3,711,000 (2008: £1,153,000) and convertible loan notes totaling £1,936,000 (2008: £1,833,000). The increase in cash balances reflects a £2,478,000 inflow from operating and investing activities (2008: £178,000 outflow) and £80,000 received from the issue of shares during the period (2008: £678,000).

As outlined in note 6, all of the convertible loan note holders have subsequently elected to convert their loan notes into ordinary shares. The conversion significantly strengthens the Company's Balance Sheet and leaves the Group with a substantial cash balance to meet its future needs.

Summary

After another challenging year, it is pleasing to be able to repeat what I said last year. One year on, Intercede is better placed in terms of product functionality, project wins, sales prospects and market position.

Furthermore, the Group is also considerably better placed in financial terms, as evidenced by both the level of full year profitability and cash generation, and the post year end elimination of all external debt following the convertible loan note holders' decision to convert their loans into equity.

Andrew Walker
Finance Director

INTERCEDE GROUP plc

Consolidated Income Statement for the year ended 31 March 2009

	Notes	2009 £'000	2008 £'000
Continuing operations			
Revenue	2	5,701	2,805
Cost of sales		(41)	(30)
Gross profit		5,660	2,775
Administrative expenses		(4,173)	(2,877)
Operating profit/(loss)		1,487	(102)
Finance income		68	61
Finance costs		(147)	(136)
Profit/(loss) before tax		1,408	(177)
Taxation	3	341	90
Profit/(loss) for the year attributable to equity shareholders		1,749	(87)
Earnings/(loss) per share (pence)			
	4		
- basic		4.7p	(0.2)p
- diluted		3.6p	(0.2)p

There are no recognised gains or losses in either year other than the profit or loss for the year.

INTERCEDE GROUP plc

Consolidated Balance Sheet at 31 March 2009

	Notes	2009 £'000	2008 £'000
Non-current assets			
Property, plant and equipment		67	52
Deferred tax		280	-
		<u>347</u>	<u>52</u>
Current assets			
Trade and other receivables		902	419
Cash and cash equivalents	7	3,711	1,153
		<u>4,613</u>	<u>1,572</u>
Total assets		<u>4,960</u>	<u>1,624</u>
Equity			
Called up share capital	6	4,305	4,292
Share premium account		2,875	2,764
Other reserves		1,508	1,508
Equity reserve		109	109
Retained earnings		(8,102)	(9,851)
Total equity		<u>695</u>	<u>(1,178)</u>
Current liabilities			
Trade and other payables		1,156	350
Deferred revenue		1,173	619
Convertible loan notes	7	1,936	-
		<u>4,265</u>	<u>969</u>
Non-current liabilities			
Convertible loan notes	7	-	1,833
Total equity and liabilities		<u>4,960</u>	<u>1,624</u>

Attention is drawn to a significant event which took place subsequent to 31 March 2009. On 29 May 2009, as outlined in note 6, the convertible loan notes included above within current liabilities were all converted into equity.

INTERCEDE GROUP plc

Consolidated Statement of Changes in Equity for the year ended 31 March 2009

	Share capital	Share premium account	Other reserves	Equity reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 31 March 2007	4,271	2,107	1,508	109	(9,764)	(1,769)
Issue of shares, net of costs	21	657	-	-	-	678
Loss for the year	-	-	-	-	(87)	(87)
At 31 March 2008	4,292	2,764	1,508	109	(9,851)	(1,178)
Issue of shares, net of costs (see note 6)	13	111	-	-	-	124
Profit for the year	-	-	-	-	1,749	1,749
At 31 March 2009	<u>4,305</u>	<u>2,875</u>	<u>1,508</u>	<u>109</u>	<u>(8,102)</u>	<u>695</u>

INTERCEDE GROUP plc

Consolidated Cash Flow Statement for the year ended 31 March 2009

	Notes	2009 £'000	2008 £'000
Cash flows from operating activities			
Operating profit/(loss)		1,487	(102)
Depreciation		25	18
(Increase) in trade and other receivables		(483)	(184)
Increase/(decrease) in trade and other payables		1,360	(29)
		<hr/>	<hr/>
Cash generated from/(used in) operations		2,389	(297)
Taxation received		61	90
		<hr/>	<hr/>
Net cash generated from/(used in) operating activities		2,450	(207)
Investing activities			
Interest received		68	61
Purchases of property, plant and equipment		(40)	(32)
		<hr/>	<hr/>
Net cash from investing activities		28	29
Financing activities			
Proceeds on issue of shares		80	678
		<hr/>	<hr/>
Net increase in cash and cash equivalents	7	2,558	500
Cash and cash equivalents at the beginning of the year	7	1,153	653
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	7	<u>3,711</u>	<u>1,153</u>

INTERCEDE GROUP plc

Preliminary Results for the Year Ended 31 March 2009

NOTES

1. The financial information set out in this announcement does not constitute the Group's Statutory Accounts for the years ended 31 March 2008 or 2009, but is derived from those accounts. Statutory Accounts for 2008 have been delivered to the Registrar of Companies and those for 2009, which have been approved by the Board of Directors, will be delivered following the Group's Annual General Meeting. The Company's auditors have reported on those accounts; their reports were unqualified and did not contain statements under Section 237(2) or (3) of the Companies Act 1985.

The Annual General Meeting of the Company will be held at 11.00 am on Wednesday 16 September 2009 at Lutterworth Hall. Copies of the full Statutory Accounts will be despatched to shareholders in due course. Copies will also be available on the website (www.intercede.com) and from the registered office of the Company: Lutterworth Hall, St. Mary's Road, Lutterworth, Leicestershire, LE17 4PS.

2. SEGMENTAL REPORTING

All of the Group's revenue, operating profits and net assets originate from operations in the United Kingdom. The Directors consider that the activity of the Group constitutes a single business segment.

The split of revenue by geographical destination of the end customer can be analysed as follows:

	2009	2008
	£'000	£'000
United Kingdom	2,488	1,378
Rest of Europe	846	298
USA	2,104	1,085
Rest of World	263	44
	5,701	2,805

3. TAX ON LOSS ON ORDINARY ACTIVITIES

The tax credit comprises:

	2009	2008
	£'000	£'000
Current year – UK corporation tax	-	-
Research and development tax credits relating to prior periods	61	90
Recognition of deferred tax asset arising from prior period losses	280	-
	341	90

There is no charge in respect of corporation tax in either year due to the availability of losses. An adjustment has been made in respect of the prior year for research and development claims which have been agreed by HMRC and received in cash during the year.

The Group has unrecognised deferred tax assets of £702,000 (2008: £1,361,000) and unused tax losses of £3,506,000 (2008: £4,862,000).

4. BASIC AND DILUTED EARNINGS/(LOSS) PER ORDINARY SHARE

The calculations of earnings/(loss) per ordinary share are based on the profit or loss for the financial year and the weighted average number of ordinary shares in issue during each year. Basic and diluted loss per share are the same for the year ended 31 March 2008 as potential dilution cannot be applied to a loss making period.

	2009	2008
	£'000	£'000
Profit/(loss) for the year	<u>1,749</u>	<u>(87)</u>
	Number	Number
Weighted average number of shares - basic	37,011,460	35,831,101
- diluted	48,735,005	48,735,005
	Pence	Pence
Earnings/(loss) per share - basic	4.7	(0.2)
- diluted	3.6	(0.2)

5. DIVIDEND

The Directors do not recommend the payment of a dividend.

6. CALLED-UP SHARE CAPITAL

	2009	2008
	£'000	£'000
<i>Authorised</i>		
481,861,616 (2008: 481,861,616) ordinary shares of 1p each	4,819	4,819
393,138,384 (2008: 393,138,384) deferred shares of 1p each	3,931	3,931
	<u>8,750</u>	<u>8,750</u>
<i>Issued and fully-paid</i>		
37,403,756 (2008: 36,093,741) ordinary shares of 1p each	374	361
393,138,384 (2008: 393,138,384) deferred shares of 1p each	3,931	3,931
	<u>4,305</u>	<u>4,292</u>

The increase in issued and fully-paid ordinary shares of 1p each reflects the exercise of warrants and convertible loan stock during the year.

On 13 May 2008, Credo Corporate Finance exercised the warrants which were granted in connection with the July 2003 placing. This resulted in the issue of 1,017,100 ordinary shares at the July 2003 placing price of 7.8p per ordinary share.

On 10 March 2009, a further 292,915 ordinary shares were issued at a price of 15p per ordinary share following notification from Champel Inc. that they had agreed to convert their loan note together with associated interest for the period to 31 May 2009.

On 29 May 2009, notification was received from the remaining holders of the convertible loan notes issued by the Company on 31 March 2000 and 6 December 2001 that they had elected to convert their loan notes together with associated interest for the period to 31 May 2009 into ordinary shares of 1p each in the Company. This resulted in the issue of 3,877,166 ordinary shares at a price of 15p per share and 6,897,083 ordinary shares at a price of 20p per Ordinary Share. Following the conversion, the total issued share capital of the Company is 48,178,005 ordinary shares of 1p each.

The deferred shares which were created as a result of the July 2003 placing have minimal rights attaching to them and are effectively worthless.

7. ANALYSIS AND RECONCILIATION OF NET DEBT

	2008 £'000	Cash flow £'000	Reclassification £'000	Non-cash movement £'000	2009 £'000
Cash at bank and in hand	1,153	2,558	-	-	3,711
Debt due within one year	-	-	(1,833)	(103)	(1,936)
Debt due after one year	(1,833)	-	1,833	-	-
Net debt	(680)	2,558	-	(103)	1,775

The non-cash movement represents the net effect of interest payable on the convertible loan notes (£147,000) less loan note conversions during the year (£44,000).

On 29 May 2009, as outlined in note 6, the debt due within one year disappeared since the remaining convertible loan note holders elected to convert their loan notes into ordinary shares rather than to request repayment.

8. PATENT INFRINGEMENT LAWSUIT

On 1 October 2008, ActivIdentity Corporation ("ActivIdentity") filed a lawsuit against Intercede Group plc and Intercede Ltd. ("Intercede") in the United States District Court for the Northern District of California (Case No. C08-4577) alleging that Intercede's MyID line of products infringes a patent owned by ActivIdentity.

In response, on 26 March 2009, Intercede filed an answer and counterclaims against ActivIdentity alleging violations of United States antitrust law, fraud, and unfair competition. Intercede alleges that, as a member of the Global Platform standard-setting organization, ActivIdentity had a duty to disclose any patents relating to Global Platform's smart card specifications, but failed to do so. In addition to these counterclaims, Intercede's answer and counterclaims deny that its products infringe ActivIdentity's patent and allege further that this patent is invalid and unenforceable. Intercede plans to vigorously defend itself in this matter and fully pursue its counterclaims against ActivIdentity.

No provision has been made as at 31 March 2009 in respect of the original ActivIdentity lawsuit or contingent asset disclosed in respect of Intercede's counterclaims.