



British Telecom Calls On ActivCard For One Of The Largest Global Deployments Of Authentication Tokens

New Solution Improves Mobility and Reduces Costs

Fremont, CA – May 11, 2004 – ActivCard Corp. (NASDAQ: ACTI), a global provider of strong authentication and trusted digital identity solutions, today announced that British Telecommunications (BT) chose the ActivCard® solution to secure access to critical corporate information for its mobile workforce. This choice was made following a strict invitation to tender released early 2003. By April 2004, BT will have taken delivery of over 25,000 ActivCard authentication devices for use with the ActivCard AAA Server. When fully completed, the rollout of the ActivCard solution will involve up to 65,000 BT employees, one of the largest global deployments of two factor authentication tokens within an enterprise customer. By incorporating the ActivCard solution within its infrastructure, BT expects to significantly reduce user authentication costs for its multi-channel secure remote access solution.

"We were impressed by the richness of function, the simplicity of architecture and the total cost of ownership of the overall solution," said Ashok Patel, Strategy Manager, Internet and Distributed Technology. "This will provide our users with greater functionality and ease of use while allowing BT Exact, BT's research, technology and IT operations business, to leverage BT's directory and RADIUS infrastructure, thus making significant cost savings on user account management."

As a long-time user of token-based network authentication, BT was looking to re-architect its authentication infrastructure in order to reduce the administrative time for managing tens of thousands of distributed token users while adhering to its rigorous security policy. The centerpiece of the new BT security architecture brings together the directory, ActivCard AAA and BT's carrier class RADIUS infrastructure. For authentication, the majority of BT's mobile workforce will use ActivCard keychain tokens that are durable and economical.

BT chose the ActivCard solution for the following key reasons:

- Total cost of ownership
- Single point of user management through integration with LDAP (Lightweight Directory Access Protocol) directories
- Synergy with BT's directory enablement and identity management initiatives
- Scalability and resilience
- Ability to carry out "in-flight" migration with zero loss of service to end users
- Standards-based architecture
- Completeness of authentication devices/mechanisms
- Responsiveness and professionalism

"With our modular product line and comprehensive solutions, ActivCard provides BT a future-proof architecture," said Marc Hudavert, General Manager and Vice President of ActivCard Europe. "BT is already exploring other identity management solutions which will be facilitated by the sophistication of our solution portfolio. We are very pleased that a global leader in information communications technology like BT has chosen to build its authentication schema with ActivCard, which demonstrates our responsiveness to cutting edge market needs."

About BT Exact

BT Exact is BT's research, technology and IT operations business. It specialises in telecommunications engineering, leading-edge network design, IT system and application development and has extensive expertise in business consulting and human factors. Its knowledge helps its customers across BT Group and in selected other businesses gain maximum advantage from their investments in communications networks and IT systems, develop new capabilities and open new opportunities. BT Exact brings together the technological expertise of BT's research laboratories and the operational experience of the teams that design and operate BT's IT systems. Backed by a team of over 6,000 technologists, it is active and influential in setting global standards. BT Exact builds on the insights and expertise developed by its research to address the demands of the next-generation internet, as well as advanced data services, information and network security, and software systems to support communications networks worldwide. BT Exact has people based worldwide - including locations across the UK and in Asia, continental Europe, and North America. For more information about BT Exact, please go to bt.com/btexact

About ActivCard

ActivCard, www.activcard.com, is a global provider of strong authentication and trusted digital identity solutions for secure remote access, single sign-on and enterprise access cards. Our scalable systems and strong authentication solutions are trusted by organizations – from enterprise to governments around the world. ActivCard delivers maximum Return On Identity™ (ROI) through increased security, reduced cost, and user convenience. The modular product design allows our customers to add capabilities as required, preserving their investment.

The statements in this press release that are not historical facts are forward-looking statements that involve risks and uncertainties, including risks associated with changes in our management team, fluctuations in operating results, our history of losses, and other risks identified in our periodic filings with the United States Securities and Exchange Commission, including, but not limited to, those appearing under the caption "Risk Factors" in our most recent Annual Report on Form 10-K, and in our Quarterly Reports on Form 10-Q. Copies of these filings are available from ActivCard and on the SEC's website at www.sec.gov. Actual results, events and performance may differ materially from our forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. ActivCard disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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