

FOR IMMEDIATE RELEASE

Media Contacts:

SCM Microsystems
Darby Dye
(510) 360-2302
ddye@scmmicro.com

Digital Keystone
Paolo Siccardo
(510) 360-2357
paolo@dkeystone.com

SCM Microsystems and Digital Keystone announce strategic alliance

SCM to license technologies, manufacture products “powered by Digital Keystone”

FREMONT, Calif., Jan. 14, 2002 /PRNewswire/ -- SCM Microsystems, Inc. (Nasdaq: SCMM; Neuer Markt: SMY), a leading provider of solutions that open the Digital World, and Digital Keystone Inc., a privately held technology development company, today announced a strategic partnership to develop and market digital television products. Under the agreement, the two companies will collaborate on the development of new products and architectures based on proprietary silicon, system and software technologies to enable lower cost and higher performance solutions. As part of the relationship, SCM will manufacture and distribute products based on Digital Keystone designs. HPNX™, a revolutionary Digital Television test and development tool that bridges TV and PC technologies, will be the first design bearing the “powered by Digital Keystone” logo to be manufactured and distributed by SCM Microsystems.

"We are impressed by Digital Keystone's leading edge, high performance technology," said Robert Schneider, president and CEO of SCM. "We believe that this agreement represents an effective tool to further SCM's strategy and broaden our presence in standards-based Digital Television markets with innovative products and systems." "Digital Keystone will gain significant benefits from the strategic partnership with the SCM team," said Paolo Siccardo, president and CEO of Digital Keystone. "We are excited by the opportunity to deliver our solutions to market in partnership with a pioneer in Digital Television."

About SCM Microsystems

SCM Microsystems is a leading supplier of solutions that open the Digital World by enabling people to conveniently access digital content and services. SCM's advanced silicon, hardware and software solutions enable secure exchange of electronic information for digital applications from e-commerce to broadband content delivery by providing controlled access points to platforms such as PCs, digital cameras and digital television set-top boxes. Known as a premier supplier to OEM companies around the world, SCM also serves the retail market through its Dazzle and Microtech product brands. Global headquarters are in Fremont, Calif., with European headquarters in Ismaning, Germany. For additional information, visit the SCM Microsystems Web site at www.scmmicro.com.

About Digital Keystone, Inc.

Digital Keystone, Inc is a developer of Digital Entertainment solutions to manage access to digital content over home networks. The Company licenses its proprietary designs to semiconductor companies, ASIC developers, software developers and system OEMs to enable the launch of breakthrough PC and consumer products. Digital Keystone has offices in Fremont, Calif. and Aix-en-Provence, France. For additional information, visit the company's web site at www.digitalkeystone.com.

HPNX™ © 2002 Digital Keystone, Inc.
All trademarks are property of their respective holders.