



Communication Intelligence Corporation: Recipient of the
2007 Global Frost & Sullivan Award for
Market Leadership



“Partnering with clients to create innovative growth strategies”

2007 Global Frost & Sullivan Award for Market Leadership

Award Description

The Frost & Sullivan Award for Market Leadership is given to the company that has exhibited market share leadership through the implementation of market strategy. The recipient has displayed excellence in all areas of the market leadership process, including the identification of market challenges, drivers and restraints, as well as strategy development and methods of addressing these market dynamics. Furthermore, the Award recipient has continually demonstrated solutions for monitoring market changes and for implementing superior market strategies. By utilizing these strategies for success, the company has established itself as the market share leader in its respective industry.

Research Methodology

To choose the recipient of this Award, the analysts track competitor revenue and market share within the industry. This is achieved through interviews with all market participants and extensive secondary research of proprietary data sources. Finally, the competitors are compared and ranked for relative position. Frost & Sullivan then presents the Award to the company that received the number one industry rank.

Measurement Criteria

In addition to the methodology described above, there are specific criteria used to ascertain final competitor ranking in this industry. The recipient has excelled by substantially increasing one or more of the following criteria:

- Market share
- Revenue growth rates
- Profitability
- Market and technology innovation



The 2007 Frost & Sullivan Market Leadership Award is presented to Communication Intelligence Corporation (CIC), for its consistent performance in the dynamic signature verification (DSV) market. This award acknowledges the technical superiority of the company's products and its strong R&D involvement, which has helped it establish a leading position in a competitive global market.

Company Overview

Communication Intelligence Corporation was founded in 1981 and is headquartered in Redwood Shores, California. The company is the pioneering champion of electronic signatures.

The company was initially into text entry applications and later gradually expanded to develop a miscellany of new technologies including handwritten recognition for handheld devices, biometric signature verification and ink compression. In order to achieve and maintain the product leadership position, the company focused on the emerging eSignature market to enable the benefits of the paperless environment especially in the financial services industry.

CIC emerged as the dominant participant and market share leader after the eSign law was passed in late 2000. Its objective was to maintain its market share leadership position in the emerging electronic signature verification market. Currently, it has an installed base of over 400 customers worldwide, which includes industry leaders in the financial services industry. The large successful deployments act as reference sites to showcase the benefits of CIC technology and the proven return on investment (ROI) of these eSignature deployments.

Significance and Advantages of CIC's Products

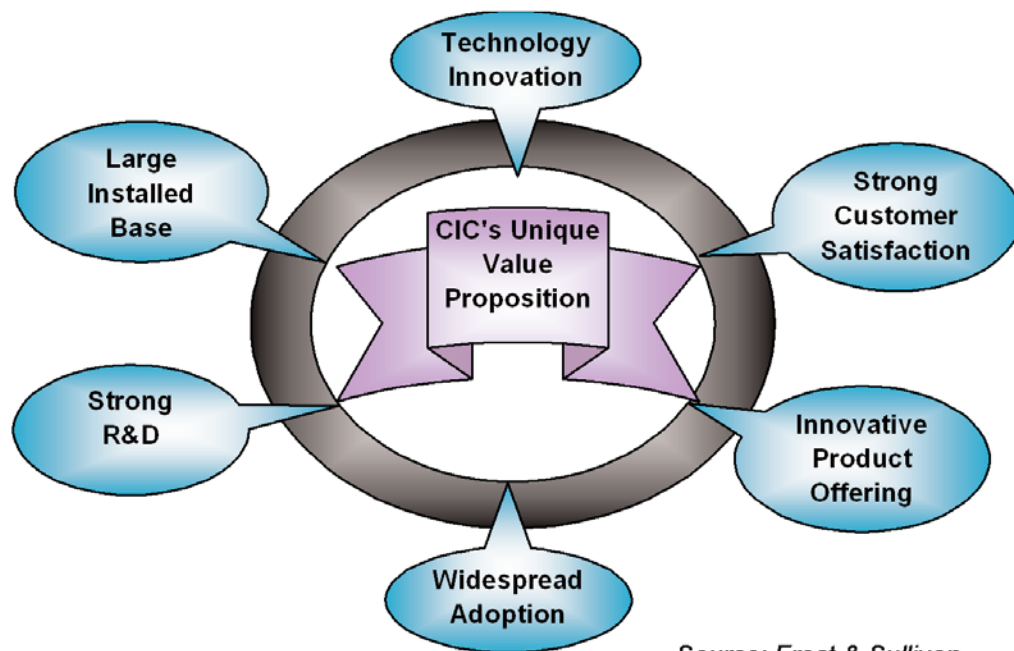
CIC is the only electronic signature provider that provides the common framework to deliver legally binding and compliant electronic signatures to partners and customers regardless of the specific business process being automated, type of documents being signed, or method of signature required. The company ensures maximum process and transaction integrity. The false acceptance rate and false rejection rate using CIC products are almost nonexistent. The processing time and cost are also drastically reduced. It gives customers the privilege to address multiple methods of electronic signature such as biometric handwritten, voice, fingerprint, eSeal, click-wrap and pin/password with one product. In addition, CIC maintains a strong relationship with its suppliers by which it is able to launch products with shorter time to market.

CIC's main focus for its eSignature business segment has been the financial vertical. The company's signature verification solutions have been implemented across several banks and insurance companies. Some of the major deployments include AIG, Charles Schwab, Nationwide Bank (UK), Prudential, State Farm, and Wells Fargo. However, the healthcare and government verticals will be a significant contributor of revenues in the long term. Realizing the importance of these verticals, it has aligned its strategies to meet the needs of these verticals.

CIC's Unique Value Proposition

Chart 1.1 illustrates the unique value proposition of CIC in the world dynamic signature verification market in 2007.

Chart 1.1
Dynamic Signature Verification Market: Unique Value Proposition of CIC (World), 2007



Source: Frost & Sullivan

Source: Frost & Sullivan

Market Leadership

CIC held its dominant market share in the total world dynamic signature verification market in 2006. In both revenue and technology terms, the company remains the leader of the world dynamic signature verification market. It has a cumulative installed base of \$23.0 million worldwide and has significantly enhanced its sales growth potential with partnership license agreements with several major enterprise software ISVs and VARs such as Adobe, IntegraSys/Fiserv, Oracle, and Guardian and OEMs embeds with hardware suppliers such as Lenovo and Hypercom. CIC's sales growth potential is further enhanced given that the accelerated adoption of this technology is being witnessed due to increasing awareness that dynamic signatures are replacing paper-based processes with the highest level of efficiency, cost reduction and non-repudiation.

Strategic Alliances and Partnerships

CIC has strengthened its sales growth potential by leveraging an agreement with Adobe and its channel partners. The company won a license agreement with IntegraSys in 2006, and in early 2007, it announced a licensing agreement with Oracle. The impact of this alliance is significant from CIC's perspective, as it will provide possible integration of CIC's solutions within several high volume financial services applications. In addition, CIC recently signed a strategic partnership agreement with Cognizant, a leading provider of global IT software solutions, to provide complete workflow solutions for the financial services industry.

Customer Service

CIC follows good customer service strategies by working with its partners through all the stages and offering them better solutions to satisfy the needs of the customer. The company has been expanding its capabilities to meet customer needs on time and its knowledge and experience have provided extra value to customers. It has witnessed significant success with its products, with the key factor being its focus on innovation and product improvement. CIC's products are being embraced in the truly global platform as its main aim is to reduce cost and increase efficiency, while maintaining the security of the documents. The company has identified customer requirements and has provided them with optimum solutions to enhance their business processes.

Conclusion

CIC is focusing on technology innovations and strives to be more flexible in its business approach. The company's increasing R&D investments, global expansion initiatives and innovative product offerings are expected to help it to dominate the DSV market as a leader. Frost & Sullivan is proud to recognize its distinction and presents the 2007 Market Leadership Award in the world dynamic signature verification market to Communication Intelligence Corporation.

About Frost & Sullivan

Frost & Sullivan, the Growth Consulting Company, partners with clients to accelerate their growth. The company's Growth Partnership Services, Growth Consulting and Career Best Practices empower clients to create a growth focused culture that generates, evaluates and implements effective growth strategies. Frost & Sullivan employs over 45 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from more than 30 offices on six continents.

Frost & Sullivan
Stacie Jones • +1 210.247.2450
stacie.jones@frost.com • www.awards.frost.com

Communication Intelligence Corporation
Chantal Eshghipour • +1 650.802.7740
chantal@cic.com • www.cic.com