

INTRODUCTION	XVII
STUDY GOALS AND OBJECTIVES.....	XVII
SCOPE AND FORMAT	XVIII
METHODOLOGY AND INFORMATION SOURCES.....	XVIII
ANALYST CREDENTIALS.....	XIX
RELATED BCC REPORTS	XIX
MONTHLY NEWSLETTER.....	XIX
BCC ONLINE SERVICES.....	XIX
DISCLAIMER	XX
 SUMMARY.....	 XXI
SUMMARY TABLE GLOBAL BIOMETRICS MARKET, THROUGH 2007 (\$	
MILLIONS)	XXII
SUMMARY FIGURE GLOBAL BIOMETRICS MARKET, 1997-2007 (\$ MILLIONS).....	XXII
 OVERVIEW	 1
WHAT ARE BIOMETRICS?.....	1
OPERATION STAGES IN A BIOMETRIC SYSTEM	2
CAPTURE.....	2
FEATURE EXTRACTION	3
ASSOCIATION AND COMPARISON.....	3
MATCH/NON-MATCH DECISION	3
PRODUCT TYPES.....	3
FINGERPRINT RECOGNITION	3
Fingerprint Characteristics	4
Other Features Essential to Finger-scan Authentication	4
Fingerprinting and Finger Scanning.....	4
Biometric Technology Procedure as Exemplified by	
Fingerprinting	5
Screening.....	5
Capture.....	5
Feature Extraction.....	6
Association and Comparison	6
Match/Nonmatch Decision.....	6
Finger-scanning Reliability.....	7
Image Capture Using Optical, Silicon and Ultrasound	7
Optical Technology.....	8
Silicon Technology	8
Ultrasound Technology.....	9
FACE RECOGNITION	9
Face Recognition (Continued)	10
HAND GEOMETRY.....	11
VOICE VERIFICATION.....	12
IRIS RECOGNITION.....	13

Capture and Identification.....	13
SIGNATURE VERIFICATION.....	14
Electronic Signature.....	14
Advantages of Signature Verification as a Biometric Feature.....	14
Legal Aspects.....	15
Verification Processes.....	15
Static Verification.....	15
Cleaning of Static Signatures.....	15
Pseudodynamic Verification.....	16
Dynamic Verification.....	16
Static and Dynamic Combo Verification.....	16
Future Prospects for Signature Verification.....	17
RETINA RECOGNITION.....	18
Accuracy, Performance and Procedure.....	18
COMPARISON OF BIOMETRIC TECHNOLOGIES.....	19
FINGER SCAN STRENGTHS AND WEAKNESSES.....	19
FACE RECOGNITION STRENGTHS AND WEAKNESSES.....	20
HAND RECOGNITION STRENGTHS AND WEAKNESSES.....	20
VOICE-SCAN STRENGTHS AND WEAKNESSES.....	21
IRIS RECOGNITION.....	21
Strengths.....	21
Weaknesses.....	22
SIGNATURE-IDENTIFICATION STRENGTHS AND WEAKNESSES.....	22
RETINA SCAN.....	23
Strengths.....	23
Weaknesses.....	23
KEYSTROKE DYNAMICS STRENGTHS AND WEAKNESSES.....	23
IMPORTANCE OF THE BIOMETRIC INDUSTRY, WHERE IT FITS INTO THE ECONOMY, AND WHY.....	24
IMPORTANCE OF FINGERPRINT RECOGNITION SYSTEMS.....	24
IMPORTANCE OF FACE RECOGNITION SYSTEMS.....	25
IMPORTANCE OF VOICE RECOGNITION SYSTEMS.....	25
IMPORTANCE OF SIGNATURE VERIFICATION.....	25
HYBRID TECHNOLOGY USES.....	26
BIOMETRIC PRODUCT LIFE CYCLE.....	26
HISTORY.....	27
HISTORY OF FINGERPRINTING.....	28
History Of Fingerprinting (Continued).....	29
HISTORY OF FACE RECOGNITION.....	30
HISTORY OF VOICE RECOGNITION.....	30
FUTURE DEVELOPMENT.....	31
STANDARDIZATION.....	31

Standardization (Continued).....	32
GLOBAL BIOMETRIC MARKET BY TECHNOLOGIES	33
MARKET CHARACTERISTICS	33
STATE OF THE MARKET	33
Price	33
Inconvenient Size.....	33
Slow Speed	33
Esoteric and Unfamiliar.....	33
GROWTH DRIVERS.....	34
Price Reduction.....	34
Smaller and Faster Devices	34
Industry Consolidation.....	35
Standards Introduction	35
Favorable Decision-making Criteria.....	36
MARKET SIZE BY TECHNOLOGY	36
<i>TABLE 1 SALES AND FORECASTS OF THE GLOBAL BIOMETRIC TECHNOLOGY</i>	
<i>MARKET BY TYPE, THROUGH 2007 (\$ MILLIONS)</i>	36
EFFECT OF TELECOMMUNICATIONS	37
EFFECT OF SEPTEMBER 11, 2001	38
FINGER SCAN.....	38
<i>TABLE 2 GLOBAL SALES AND FORECASTS FOR THE FINGER-SCAN</i>	
<i>TECHNOLOGY MARKET, THROUGH 2007 (\$ MILLIONS)</i>	38
Revenues	38
Major Players and Other Vendors	39
Market Growth Drivers.....	40
Advances in Finger-scan Technology.....	40
Price Reduction	40
Current Increased Desire for Enhanced Security	40
Biometric of Choice	40
Sales and Marketing.....	41
Proprietary Technologies.....	41
Strategic Relationships	41
External Factors Affecting Sales	42
Reduction in Information Technology (IT) Spending.....	42
Worldwide Recognition of the Need for Improved	
Security	42
FACIAL SCAN	43
<i>TABLE 3 GLOBAL SALES AND FORECASTS FOR THE FACIAL-SCAN</i>	
<i>TECHNOLOGY MARKET, THROUGH 2007 (\$ MILLIONS)</i>	43
Revenues	43
Segment Characteristics	44
Market Growth Inhibitors.....	45
Major Players and Others	45
Sales and Marketing	46
HAND SCAN	47

TABLE 4 GLOBAL SALES AND FORECASTS FOR THE HAND-SCAN TECHNOLOGY MARKET, THROUGH 2007 (\$ MILLIONS).....	47
Revenues	47
Market Drivers, Inhibitors, Players, Sales and Marketing	47
Market Drivers, Inhibitors, Players....(Continued)	48
VOICE SCAN	49
TABLE 5 GLOBAL SALES AND FORECASTS FOR THE VOICE-SCAN TECHNOLOGY MARKET, THROUGH 2007 (\$ MILLIONS).....	49
Revenue.....	49
Main Players	50
IRIS SCAN.....	50
TABLE 6 GLOBAL SALES AND FORECASTS FOR THE IRIS SCAN TECHNOLOGY MARKET, THROUGH 2007 (\$ MILLIONS).....	50
Revenues	50
Major Players, Sales and Marketing	50
Market Growth Drivers.....	51
SIGNATURE SCAN.....	51
TABLE 7 GLOBAL SALES AND FORECASTS FOR THE SIGNATURE-SCAN TECHNOLOGY MARKET, THROUGH 2007 (\$ MILLIONS).....	51
Revenue.....	51
Major Players, Marketing and Sales	52
RETINA SCAN.....	52
TABLE 8 GLOBAL SALES AND FORECASTS FOR THE RETINA-SCAN TECHNOLOGY MARKET, THROUGH 2007 (\$ MILLIONS).....	52
Major Player	53
Market Growth Drivers and Inhibitors	53
KEYSTROKE SCAN	54
TABLE 9 GLOBAL SALES AND FORECASTS FOR THE KEYSTROKE-SCAN TECHNOLOGY MARKET, THROUGH 2007 (\$ MILLIONS).....	54
Revenues	54
Major Players and Growth Drivers.....	54
Major Players and Growth Drivers (Continued)	55
GLOBAL MARKET FOR BIOMETRIC APPLICATIONS.....	56
UNIQUE FEATURES OF BIOMETRIC APPLICATIONS.....	56
BIOMETRIC APPLICATIONS MARKET BY TECHNOLOGY.....	56
FINGER SCAN.....	56
TABLE 10 FINGER-SCAN VENDORS AND TECHNOLOGY APPLICATIONS	56
TABLE 10 (CONTINUED).....	57
TABLE 11 SALES AND FORECASTS FOR FINGER SCAN BY APPLICATIONS IN THE GLOBAL MARKET, THROUGH 2007 (\$ MILLIONS).....	57
FIGURE 1 SALES AND FORECASTS FOR FINGER SCAN BY APPLICATIONS IN THE GLOBAL MARKET, 1997-2007 (\$ MILLIONS).....	58
Blurring the Divide between AFIS and Non-AFIS	
Applications	58
Law and Order.....	59
Legal Services	59
Complete Identification	60

Complete Dispatch.....	60
Complete Records.....	60
Complete Corrections	60
Sagem Systems	60
Sagem AFIS Police.....	61
Police Services.....	61
Prison Services.....	62
Physical Access Control.....	62
Physical and PC Access Using Sony Puppy	
Authentication Token.....	63
Advantages of the Puppy.....	64
Problems with the Puppy	65
Time and Attendance Control	65
Government Applications.....	66
Identification Systems (IDS)	66
Biometric Fingerprint Identification.....	66
<i>TABLE 12 COMPARISON OF CIVIL AND POLICE AFIS REQUIREMENTS.....</i>	<i>67</i>
Social Services and Other Government Applications.....	67
Banking and Financial.....	68
Fingerscan Products	69
Point-of-sale Payments	69
Health Care Delivery (Continued)	70
FACIAL SCAN	71
<i>TABLE 13 FACIAL-SCAN VENDORS AND THEIR TECHNOLOGY.....</i>	<i>71</i>
<i>TABLE 14 SALES AND FORECASTS FOR FACIAL-SCAN APPLICATIONS IN THE</i>	
<i> GLOBAL MARKET, THROUGH 2007 (\$ MILLIONS)</i>	<i>71</i>
<i>FIGURE 2 SALES AND FORECASTS FOR FACIAL-SCAN APPLICATIONS IN THE</i>	
<i> GLOBAL MARKET, 1997-2007 (\$ MILLIONS).....</i>	<i>72</i>
Law and Order.....	73
Law and Order (Continued)	74
Government	75
Access Management	76
Banking and Financial Services	76
Travel and Immigration	77
HAND SCAN	78
<i>TABLE 15 HAND-SCAN VENDORS AND APPLICATIONS.....</i>	<i>78</i>
<i>TABLE 16 GLOBAL SALES AND FORECASTS FOR HAND-SCAN APPLICATIONS,</i>	
<i> THROUGH 2007 (\$ MILLIONS)</i>	<i>78</i>
<i>FIGURE 3 GLOBAL SALES AND FORECASTS FOR HAND-SCAN APPLICATIONS,</i>	
<i> 1997-2007 (\$ MILLIONS).....</i>	<i>79</i>
Access Management	80
Access to Banks and Restricted Areas	80
Time and Attendance.....	80
Travel and Immigration	81
Law and Order.....	81
VOICE SCAN	81

TABLE 17 VOICE-SCAN VENDORS AND APPLICATIONS	81
TABLE 18 SALES AND FORECASTS FOR VOICE-SCAN APPLICATIONS IN THE GLOBAL MARKET, THROUGH 2007 (\$ MILLIONS)	82
FIGURE 4 SALES AND FORECASTS FOR VOICE-SCAN APPLICATIONS IN THE GLOBAL MARKET, 1997-2007 (\$ MILLIONS).....	82
Network Access and e-Commerce Operations.....	83
How VoiceShield Operates	83
Banking and Financial Services	84
VoiceShield Voice Authentication for Online Transactions	85
IRIS SCAN.....	85
TABLE 19 IRIS-SCAN VENDORS AND APPLICATIONS	85
TABLE 20 SALES AND FORECASTS FOR IRIS-SCAN APPLICATIONS IN THE GLOBAL MARKET, THROUGH 2007 (\$ MILLIONS)	86
FIGURE 5 SALES AND FORECASTS FOR IRIS-SCAN APPLICATIONS IN THE GLOBAL MARKET, 1997-2007 (\$ MILLIONS).....	86
Physical Access Management	87
Travel and Immigration	87
Law and Order.....	88
Network Access, Banking and Financial Services	88
Health Care Delivery.....	88
SIGNATURE SCAN.....	89
TABLE 21 SIGNATURE-SCAN VENDORS AND APPLICATIONS	89
TABLE 22 SALES AND FORECASTS FOR SIGNATURE-SCAN APPLICATIONS IN THE GLOBAL MARKET, THROUGH 2007 (\$ MILLIONS)	89
FIGURE 6 SALES AND FORECASTS FOR SIGNATURE-SCAN APPLICATIONS IN THE GLOBAL MARKET, 1997-2007 (\$ MILLIONS).....	90
Electronic Point-of-Sale Payments	90
Security and Cost Reduction in Banking, Insurance and Financial Services	90
Online Transactions	91
Paperless Communications for Information Security.....	92
Paperless Communications Provide More Personal Safety	92
Signature Authentication and Document Integrity Using eSign by Valyd and ePad by Interlink Electronics	92
Document Security and Operations Efficiency Using Valyd's eSign.....	93
Benefits:	93
Internal and External Security	93
Cost reduction in Document Processing	94
RETINA SCAN.....	94
TABLE 23 VENDORS AND APPLICATIONS.....	94
TABLE 24 SALES AND FORECASTS FOR RETINA-SCAN APPLICATIONS IN THE GLOBAL MARKET, THROUGH 2007 (\$ MILLIONS)	95

<i>FIGURE 7 SALES AND FORECASTS FOR RETINA-SCAN APPLICATIONS IN THE GLOBAL MARKET, 1997-2007 (\$ MILLIONS)</i>	95
Travel and Immigration	96
Physical Access Management	96
KEYSTROKE SCAN	97
<i>TABLE 25 VENDORS AND APPLICATIONS</i>	97
<i>TABLE 26 SALES AND FORECASTS FOR KEYSTROKE-SCAN BY APPLICATIONS IN THE GLOBAL MARKET, THROUGH 2007 (\$ MILLIONS)</i>	97
<i>FIGURE 8 SALES AND FORECASTS FOR KEYSTROKE-SCAN BY APPLICATIONS IN THE GLOBAL MARKET, 1997-2007 (\$ MILLIONS)</i>	98
Computer and Network Access	98
Banking and Financial Services	99
Internal Security.....	99
TECHNOLOGIES BY APPLICATION CATEGORY	99
<i>TABLE 27 GLOBAL MARKET FOR BIOMETRIC APPLICATIONS BY TYPE, THROUGH 2007 (\$ MILLIONS)</i>	100
TECHNOLOGIES BY APPLICATION....(CONTINUED)	101
BIOMETRICS PROVIDE OPTIMAL SOLUTIONS TO SOME OUTSTANDING INDUSTRIAL PROBLEMS.....	102
Network Security.....	102
Credit Card and Banking Fraud.....	102
Physical Access Fraud	102
Identity Theft.....	103
Law and Order.....	103
Fraud in Social Services and Welfare.....	103
THE UNIQUE SELLING FEATURE OF BIOMETRIC SOLUTIONS	103
<i>TABLE 28 APPLICATION CATEGORIES</i>	104
APPLICATION MARKET BY TECHNOLOGY TYPE	105
Law and Order.....	105
<i>TABLE 29 GLOBAL BIOMETRICS MARKET FOR LAW AND ORDER BY TECHNOLOGY TYPE, THROUGH 2007</i>	105
<i>FIGURE 9 GLOBAL BIOMETRICS MARKET FOR LAW AND ORDER BY TECHNOLOGY TYPE, 1997-2007</i>	105
Physical Access Management	106
<i>TABLE 30 GLOBAL BIOMETRICS MARKET FOR PHYSICAL ACCESS MANAGEMENT BY TECHNOLOGY TYPE, THROUGH 2007 (\$ MILLIONS)</i>	106
<i>FIGURE 10 GLOBAL BIOMETRICS MARKET FOR PHYSICAL ACCESS MANAGEMENT BY TECHNOLOGY TYPE, 1997-2007 (\$ MILLIONS)</i>	107
Use of Biometric Time and Attendance Systems in Operations Management.....	108
<i>TABLE 31 TIME AND ATTENDANCE MONITORING APPLICATIONS</i>	109
Biometrics for Workforce Management	109
Government	110
<i>TABLE 32 GLOBAL BIOMETRICS MARKET FOR GOVERNMENT SERVICES BY TECHNOLOGY TYPE, THROUGH 2007 (\$ MILLIONS)</i>	110
<i>FIGURE 11 GLOBAL BIOMETRICS MARKET FOR GOVERNMENT SERVICES BY TECHNOLOGY TYPE, 1997-2007 (\$ MILLIONS)</i>	111

Government (Continued).....	112
Travel and Immigration	113
<i>TABLE 33 GLOBAL BIOMETRICS MARKET FOR TRAVEL AND IMMIGRATION BY TECHNOLOGY TYPE, THROUGH 2007 (\$ MILLIONS)</i>	113
<i>FIGURE 12 GLOBAL BIOMETRICS MARKET FOR TRAVEL AND IMMIGRATION BY TECHNOLOGY TYPE, 1997-2007 (\$ MILLIONS)</i>	113
Travel and Immigration (Continued).....	114
Computer and Network Access Control Systems.....	115
<i>TABLE 34 GLOBAL BIOMETRICS MARKET FOR COMPUTER AND NETWORK ACCESS CONTROL SYSTEMS BY TECHNOLOGY TYPE, THROUGH 2007 (\$ MILLIONS)</i>	115
<i>FIGURE 13 GLOBAL BIOMETRICS MARKET FOR COMPUTER AND NETWORK ACCESS CONTROL SYSTEMS BY TECHNOLOGY TYPE, 1997-2007 (\$ MILLIONS)</i>	115
Computer and Network Access....(Continued)	116
Banking and Financial Services	117
<i>TABLE 35 GLOBAL BIOMETRICS MARKET FOR BANKING AND FINANCIAL SERVICES BY TECHNOLOGY TYPE, THROUGH 2007 (\$ MILLIONS)</i>	117
<i>FIGURE 14 GLOBAL BIOMETRICS MARKET FOR BANKING AND FINANCIAL SERVICES BY TECHNOLOGY TYPE, 1997-2007 (\$ MILLIONS)</i>	117
Banking and Financial Services (Continued).....	118
Banking and Financial Services (Continued).....	119
Banking and Financial Services (Continued).....	120
Health Care.....	121
<i>TABLE 36 GLOBAL BIOMETRICS MARKET FOR HEALTH CARE BY TECHNOLOGY TYPE, THROUGH 2007 (\$ MILLIONS)</i>	121
<i>FIGURE 15 GLOBAL BIOMETRICS MARKET FOR HEALTH CARE BY TECHNOLOGY TYPE, 1997-2007 (\$ MILLIONS)</i>	121
Health Care (Continued)	122
Health Care Continued)	123
Health Care (Continued)	124
MARKET SHARE AND COMPANY PROFILES	125
FINGER SCAN	125
<i>TABLE 37 FINGER-SCAN VENDORS AND MARKET SHARE, 2001 AND 2002 (\$ MILLIONS)</i>	125
<i>FIGURE 16 FINGER-SCAN VENDORS AND MARKET SHARE, 2002 (%)</i>	125
BIOSCRYPT	126
IDENTIX, INC.....	127
Identix, Inc. (Continued)	128
Identix, Inc. (Continued)	129
INFINEON TECHNOLOGIES	130
PRECISE BIOMETRICS	131
Precise Biometrics (Continued).....	132
PRIMION TECHNOLOGY AG.....	133
DIGITALPERSONA.....	133
Digitalpersona (Continued).....	134
Digitalpersona (Continued).....	135

BIO-key INTERNATIONAL, INC.....	136
PRINTRAK INTERNATIONAL, INC.	137
Printrak International, Inc. (Continued).....	138
SAGEM Morpho	139
VISIONICS (see Identix)	140
FACIAL SCAN	141
<i>TABLE 38 FACIAL-SCAN VENDORS AND MARKET SHARE, 2001 AND 2002 (\$</i>	
<i>MILLIONS)</i>	<i>141</i>
<i>FIGURE 17 FACIAL-SCAN VENDORS AND MARKET SHARE, 2002 (%)</i>	<i>141</i>
IMAGIS TECHNOLOGIES	141
Imagis Technologies (Continued).....	142
VIISAGE TECHNOLOGY	143
Viisage Technology (Continued)	144
SYMTRON TECHNOLOGY	145
SAFLINK CORP.....	146
Saflink Corp. (Continued)	147
HAND SCAN	148
<i>TABLE 39 HAND SCAN VENDORS AND MARKET SHARE, 2001 AND 2002 (\$</i>	
<i>MILLIONS)</i>	<i>148</i>
<i>FIGURE 18 HAND SCAN VENDORS AND MARKET SHARE, 2002 (%)</i>	<i>148</i>
RECOGNITION SYSTEMS	149
ADVANCED BIOMETRICS, INC.	149
Advanced Biometrics, Inc. (Continued)	150
BIOMET PARTNERS, INC	151
VOICE SCAN	152
<i>TABLE 40 VOICE-SCAN VENDORS AND MARKET SHARE, 2001 AND 2002 (\$</i>	
<i>MILLIONS)</i>	<i>152</i>
<i>FIGURE 19 VOICE-SCAN VENDORS AND MARKET SHARE, 2002 (%)</i>	<i>152</i>
NUANCE	153
Nuance (Continued).....	154
VOICEVAULT.....	155
SENTRYCOM.....	156
T-NETIX	157
IRIS SCAN	158
<i>TABLE 41 IRIS-SCAN VENDORS AND MARKET SHARE, 2001 AND 2002 (%)</i>	<i>158</i>
<i>FIGURE 20 IRIS-SCAN VENDORS AND MARKET SHARE, 2002 (%)</i>	<i>158</i>
IRIDIAN TECHNOLOGIES	159
SIGNATURE SCAN.....	160
<i>TABLE 42 SIGNATURE-SCAN VENDORS AND MARKET SHARE, 2001 AND 2002 (\$</i>	
<i>MILLIONS)</i>	<i>160</i>
<i>FIGURE 21 SIGNATURE-SCAN VENDORS AND MARKET SHARE, 2002 (%)</i>	<i>161</i>
COMMUNICATION INTELLIGENCE CORPORATION (CIC).....	161
INTERLINK ELECTRONICS	162
Interlink Electronics (Continued)	163
Interlink Electronics (Continued)	164
VALYD (FORMERLY ADEPTEK)	165
Valyd (Formerly Adeptek) (Continued)	166

RETINA SCAN.....	167
<i>TABLE 43 RETINA-SCAN VENDOR SALES AND MARKET SHARE, 2001-2002 (\$</i>	
<i>MILLIONS)</i>	<i>167</i>
EYEDENTIFY.....	167
RETINAL TECHNOLOGIES	168
KEYSTROKE SCAN.....	169
<i>TABLE 44 KEYSTROKE-SCAN VENDOR SALES AND MARKET SHARE, 2001 AND</i>	
<i>2002 (\$ MILLIONS)</i>	<i>169</i>
NET NANNY SOFTWARE INTERNATIONAL.....	169
TOUCHCREDIT FINANCIAL SERVICES, INC.....	170
Touchcredit Financial Services, Inc. (Continued).....	171
RISK MANAGEMENT.....	172
RELIANCE ON GOVERNMENT AGENCIES AND ATTENDANT	
UNPREDICTABLE ORDERS.....	172
CONTINUALLY AND RAPIDLY CHANGING	
TECHNOLOGIES.....	172
NECESSITY FOR CONTINUAL INVESTMENTS IN	
RESEARCH AND DEVELOPMENT.....	172
COMPULSORY CONTINUAL INVESTMENTS IN RESEARCH	
AND DEVELOPMENT TO COMPLY WITH REGULATORY	
STANDARDS	172
DEPENDENCE ON CERTAIN KEY EMPLOYEES.....	173
DEPENDENCE ON SINGLE SUPPLIERS.....	173
OPERATIONS AND PRODUCT DEVELOPMENT MAY	
DEPEND ON THIRD PARTIES.....	173
ADVERSE EFFECTS OF PRIVACY RIGHTS PROTESTERS.....	173
FOREIGN CURRENCY EXCHANGE RISK	174
LITTLE OR NO REVENUE AND PROFITABILITY FOR MANY	
START-UP BIOMETRICS VENDORS	174
BIOMETRICS HAVE YET TO GAIN FULL ACCEPTANCE.....	175
DEPENDENCE ON INDEPENDENT DISTRIBUTORS AND	
RESELLERS	175
CHANGE OR BECOME IRRELEVANT.....	175
A HIGHLY COMPETITIVE INDUSTRY.....	176
LIMITED PROTECTION OF INTELLECTUAL PROPERTY.....	176
A FEW CUSTOMERS ACCOUNT FOR A HIGH PERCENTAGE	
OF REVENUE	176
DELAYS IN PUBLIC SECTOR CONTRACTS.....	177
PROBABILITY OF INCREASED COMPETITION.....	177
SOME PRODUCTS ARE NEW AND MAY NOT BE ACCEPTED	
BY END USERS	177
PURCHASE OF BIOMETRIC PRODUCTS MAY REQUIRE A	
SIGNIFICANT EXPENDITURE.....	178

PRODUCTS CANNOT BE PERFECT NOR COMPLETELY ACCURATE ALL THE TIME	178
VENDORS FACE RISKS IN THEIR GLOBAL OPERATIONS	179
INTERNATIONAL ASPECTS	180
<i>TABLE 45 REGIONAL SALES OF BIOMETRIC SYSTEMS, THROUGH 2007 (\$ MILLIONS)</i>	180
EXTERNAL FACTORS THAT AFFECT INTERNATIONAL OPERATIONS.....	181
Slowdown in IT Spending.....	181
Worldwide Investment in Improved Security	181