

NEWS RELEASE

Innovative Card Technologies Completes Financial Restructuring

InCard DisplayCard developer raises \$1.2 million in working capital, resolves \$9 million in debt

Los Angeles, CA – October 5, 2009 – Innovative Card Technologies, Inc (OTCBB: INVC), developers of the InCard DisplayCard™ for e-banking, e-commerce, and data access, announced today the completion of a three-part financial restructuring. These developments provide the company with \$1.2 million in working capital, absolve the company of approximately \$9 million in debt, and advantageously restructure \$4.5 million in existing debt. Innovative Card Technologies plans to use the working capital to commercialize newly developed, patent-pending card technologies, and to enhance and expand sales of the market-leading InCard DisplayCard™.

The company raised \$1.2 million in working capital from the sale of additional Amortizing Convertible Debentures. As part of this transaction, the Company issued 2,254,642 warrants to the investors; the newly issued debentures and warrants have a conversion and exercise price of \$0.25 respectively. Los Angeles-based T.R. Winston & Company acted as placement agent.

The company also announced that it has successfully met and completed all of the conditions outlined in the "Assignment of Debenture and Common Stock Warrant Agreement," as stipulated in a July 11, 2009 agreement between Innovative Card Technologies and EMC Corporation/RSA Security Inc. The completion of this agreement retires approximately \$7.6 million dollars in debt and cancels 1.01 million common stock purchase warrants previously issued to EMC Corporation/RSA Security Inc.

In the final piece of the restructuring, the company entered into a series of transactions with the holders of the remaining Amortizing Convertible Debentures and certain other creditors. The amended terms of debenture include waiving existing defaults, late fees, interest hikes and liquidated damages. The aggregate debt reduction resulting from the renegotiation was \$1.4 million at the end of the third quarter. The aggregate principal amount of debentures after the exchange is approximately \$4.7 million, with 855,533 warrant shares subject to the amendment. Approximately \$1.4 million of these debentures have a conversion price of \$1.00 and approximately \$3.3 million of these debentures have a conversion price of \$0.25. The warrants have an exercise price of \$0.25. For more details on this transaction, please refer to the company's 8K, filed October 5, 2009.

"I am pleased to announce a significant financial restructuring that funds the company's future endeavors, absolves us of significant debt, and reverses toxic terms of default and expense that were assessed in our first quarter," said Richard Nathan, President and CEO of InCard Technologies. "This has been a comprehensive team effort by our management team, the Board of Directors, and our investment banker." Nathan continued, "These improvements to our balance sheet enable us to focus on expanding our markets and introducing new products based on patents filed this quarter and in our second quarter this year."

The InCard DisplayCard™ is used by banks, traders, and online vendors to authenticate customer identity during online transactions. It is also used by various enterprise organizations worldwide to authenticate employee access to electronic information systems.

About Innovative Card Technologies

Innovative Card Technologies, Inc. (OTCBB: INVC) was founded in 1993 to add advanced features to payment cards. The company's InCard DisplayCard enables dual-factor authentication in a convenient credit card form-factor. The cards can be configured to offer RFID physical access or payment capabilities, and feature a screen powered by an embedded integrated circuit, battery, and switch. This screen displays a one-time password to verify the presence of the card during online and data systems login. www.incard.com.

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This release may contain forward-looking statements, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All forward-looking statements included in this document are based upon information available to InCard as of the date hereof, and InCard has not assumed any duty to update these forward-looking statements to reflect events or circumstances after the date of this document. A discussion of various factors that could cause InCard's actual results to differ materially from those expressed in such forward-looking

statements is included in InCard's filings with the Securities and Exchange Commission, including its Annual Report on Form 10K, dated May 15, 2009.