



Q4 and FY 2007 Revenue Release

Olivier Piou, CEO
Jacques Tierny, CFO

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www.gemalto.com



Disclaimer

Forward-Looking Statements

This communication contains certain statements that are neither reported financial results nor other historical information and other statements concerning Gemalto. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, events, products and services and future performance. Forward-looking statements are generally identified by the words "expects", "anticipates", "believes", "intends", "estimates" and similar expressions. These and other information and statements contained in this communication constitute forward-looking statements for purposes of applicable securities laws. Although management of the company believes that the expectations reflected in the forward-looking statements are reasonable, investors and security holders are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of the companies, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements, and the companies cannot guarantee future results, levels of activity, performance or achievements. Factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this communication include, but are not limited to: the ability of the company's to integrate according to expectations; the ability of the company to achieve the expected synergies from the combination; trends in wireless communication and mobile commerce markets; the company's ability to develop new technology and the effects of competing technologies developed and expected intense competition generally in the companies' main markets; profitability of expansion strategy; challenges to or loss of intellectual property rights; ability to establish and maintain strategic relationships in their major businesses; ability to develop and take advantage of new software and services; the effect of the combination and any future acquisitions and investments on the companies' share prices; and changes in global, political, economic, business, competitive, market and regulatory forces. Moreover, neither the companies nor any other person assumes responsibility for the accuracy and completeness of such forward-looking statements. The forward-looking statements contained in this communication speak only as of the date of this communication and the companies are under no duty, and do not undertake, to update any of the forward-looking statements after this date to conform such statements to actual results, to reflect the occurrence of anticipated results or otherwise.

★ **Overview**

Olivier Piou, CEO

★ Financial Results

★ Outlook



Fourth quarter 2007 highlights

- ✦ Q4 revenue up 8% to € 471 million
- ✦ Sales prices steady, momentum in high-end product migration
- ✦ Continued growth in Allynis service activities
- ✦ New contract wins to bolster growth
- ✦ Strong net cash position at € 314 million



All revenue and average selling price variations are by reference to 2006 figures and are stated at constant exchange rates unless otherwise mentioned

Market developments

“The market environment has improved dramatically. 2008 will continue to see significant activities in promising new areas like NFC mobile payment as well as dynamic services provisioning and upgrades over-the-air. Operators in all markets are showing renewed interests in SIM-based solutions for value-added services.”



Philippe Vallée
EVP Telecoms



Philippe Cambriel
EVP Secure Transactions

“The growing success of contactless payment around the world is driving improvements in product mix. Customers are also showing interests in our innovative services and solutions, such as Instant Issuance and CardLikeMe.”

“Markets for government projects are entering a new wave of growth driven by the introduction of EAC e-passports in Europe. Success of eID cards in several countries is encouraging new developments, targeting large deployments in 2009. In IAM, security concerns are driving growth of online banking solutions.”



Jacques Seneca
EVP Security

NFC = Near Field Communication; EAC = Enhanced Access Control; IAM = Identity & Access Management

Major win: Yemen's electronic ID solution

A major win for Gemalto's comprehensive e-ID solution...

- ★ A complete solution from Gemalto that includes enrollment processes, creation of a secure biometric national registry, maintenance, local support, training and integration services
- ★ 10 million cards to be delivered in 2008 and 2009

Addressing customer's key needs...

- ★ Issuing each citizen over the age of 16 a secure e-ID card which stores in particular personal credentials, digital photo and fingerprints
- ★ A nation-wide personalization system for the e-ID cards and backup recovery centre



✦ Overview

✦ **Financial Results**

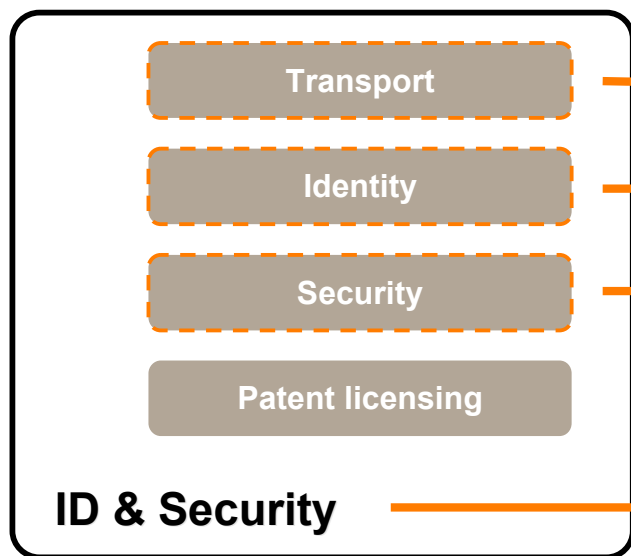
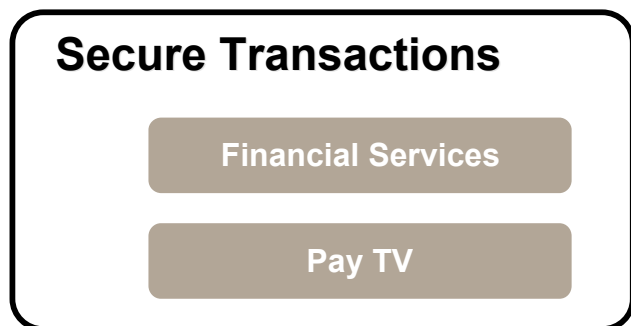
Jacques Tierny, CFO

✦ Outlook

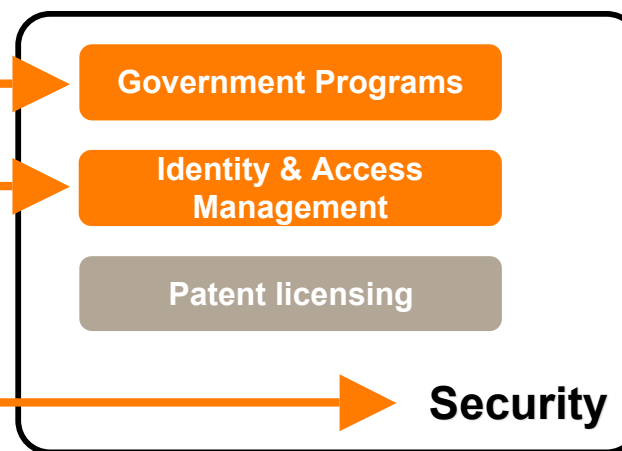
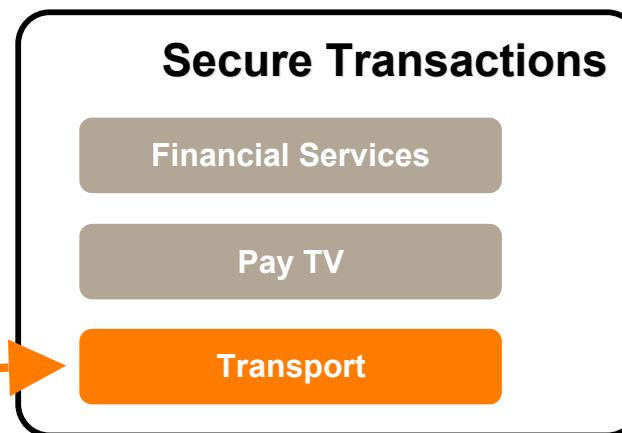


Aligning financial reporting segments

Up until June 30, 2007

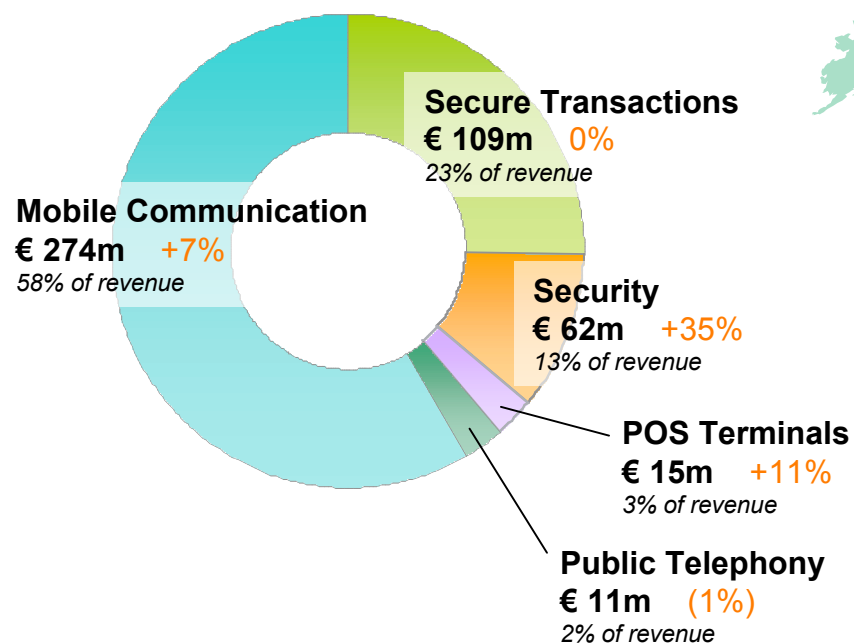


Effective July 1, 2007

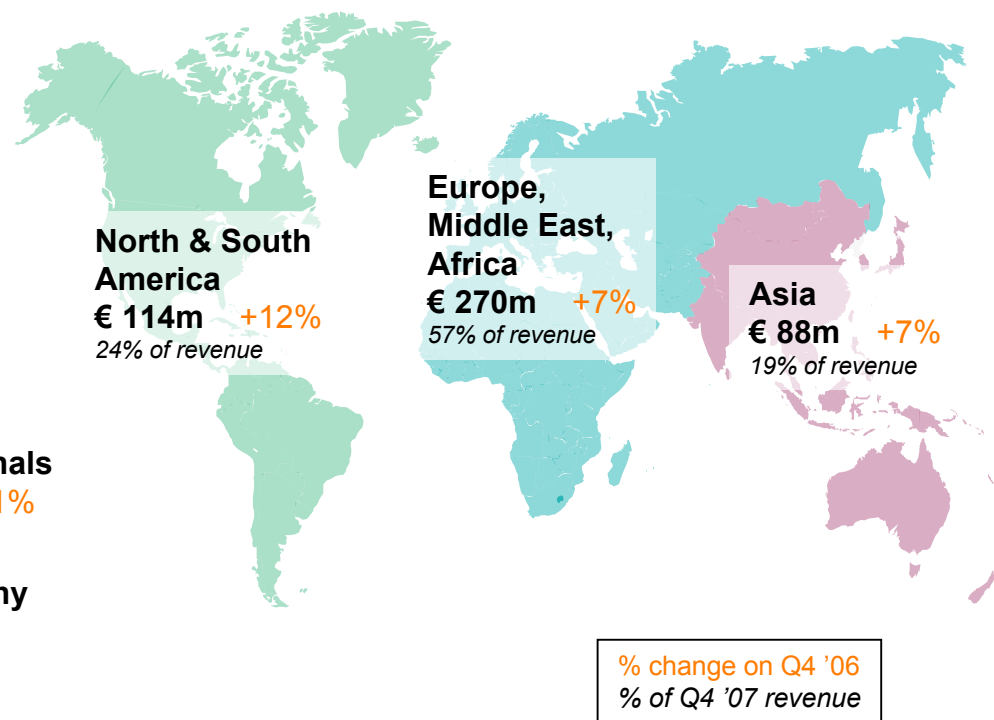


Q4 '07 revenue up by 8% to € 471 million

Segment contribution



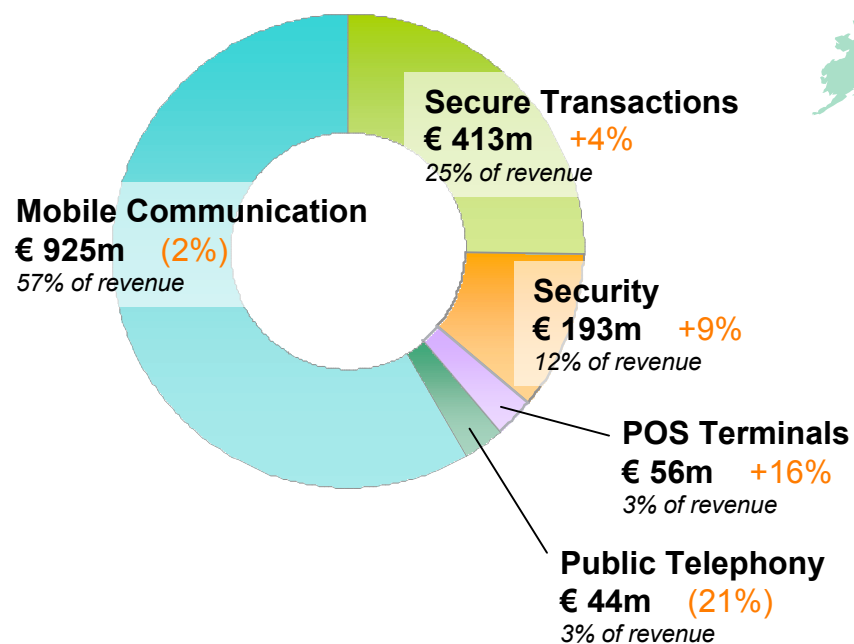
Regional contribution



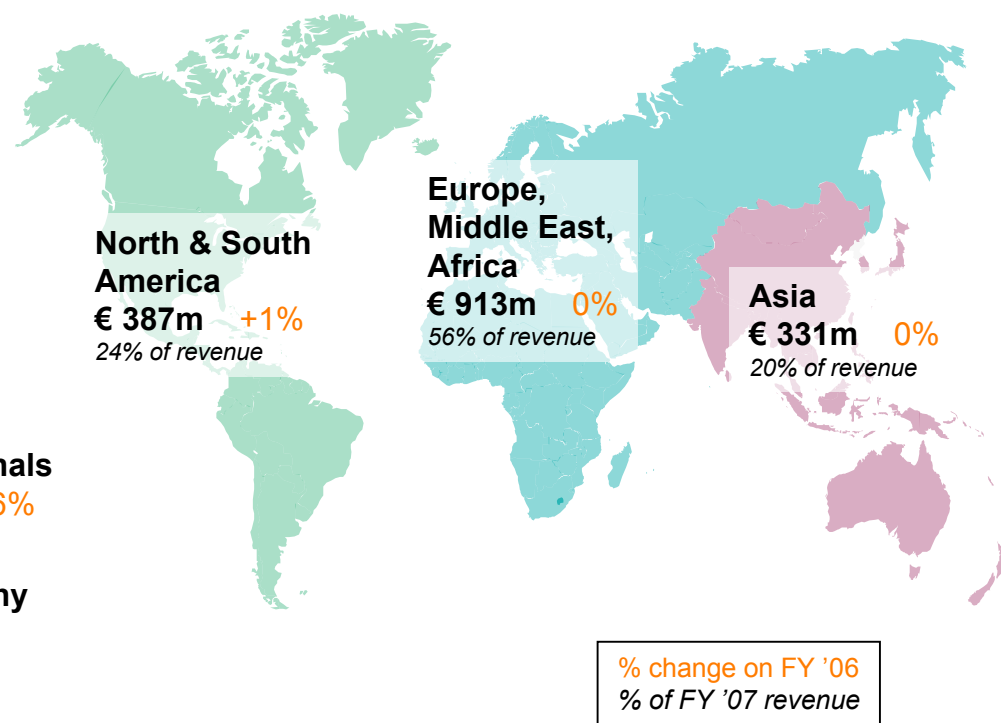
Revenue variations are stated at constant exchange rates and by reference to 2006 fourth quarter revenue

FY '07 revenue stable at € 1 631 million

Segment contribution

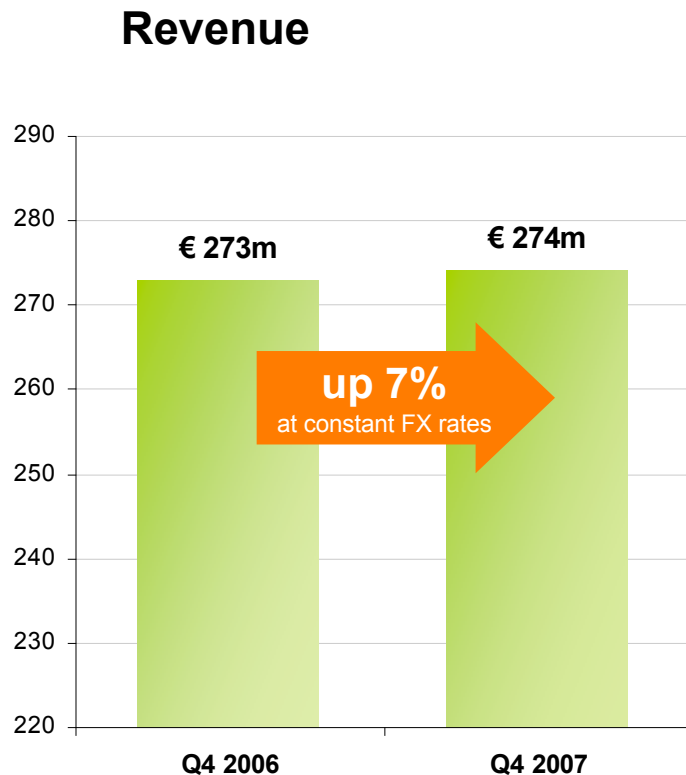


Regional contribution



Revenue variations are stated at constant exchange rates and by reference to 2006 full year revenue

Mobile Communication

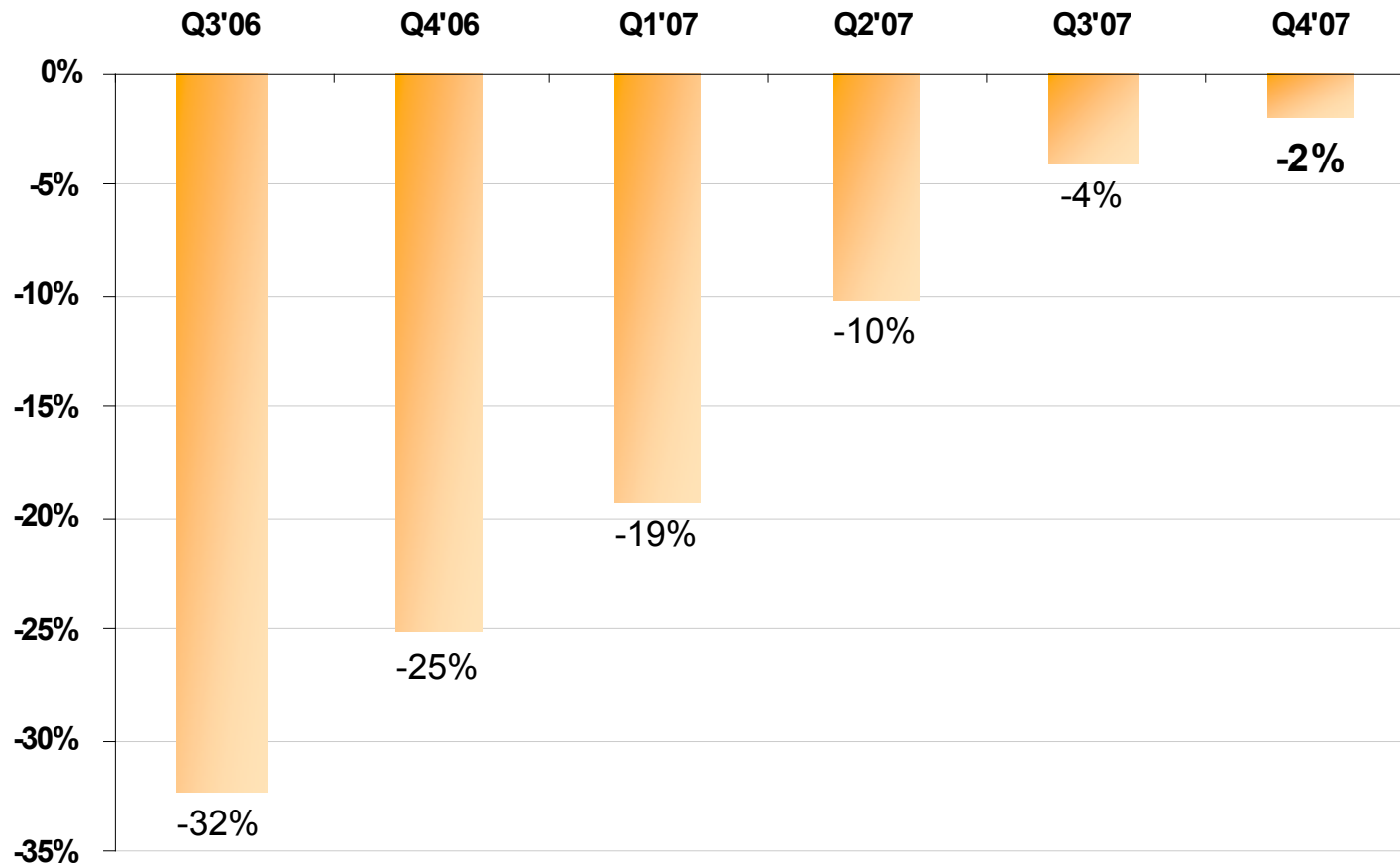


- ✦ Further growth on an already strong Q4 '06
- ✦ ASP up by 0.4% from Q3 '07
- ✦ Year-on-year ASP decline contained to 2%
- ✦ Improvement of product mix in all regions (81% of Q4 revenue from high-end)
- ✦ Revenue growth in high-end applications and managed services exceeding 30%

Revenue variations are stated **at constant exchange rates** and by reference to 2006 fourth quarter revenue.
ASP variations are stated **at constant exchange rates**.

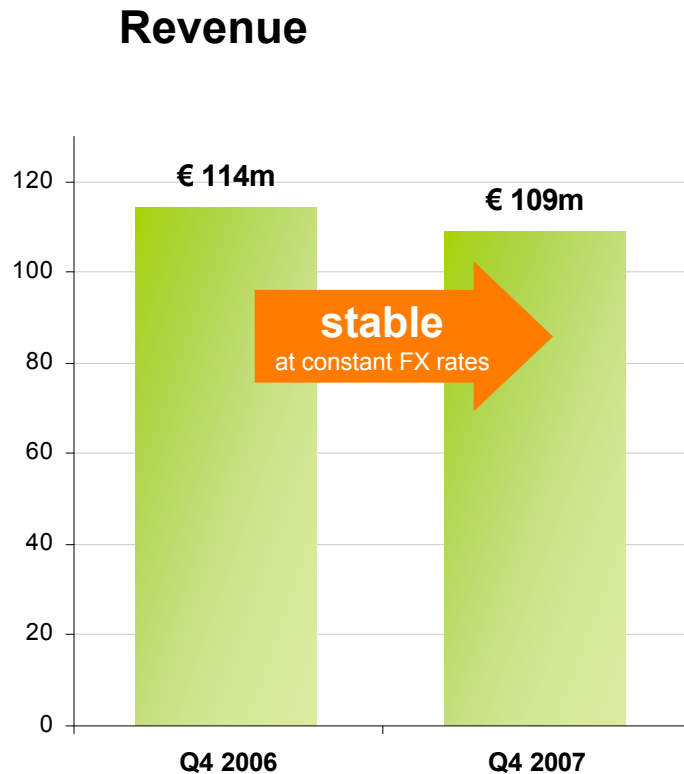
Benefits of our segmentation and pricing strategy

*Evolution of Gemalto SIM ASP Changes
(year on year % change, at constant exchange rate)*



Source: Gemalto

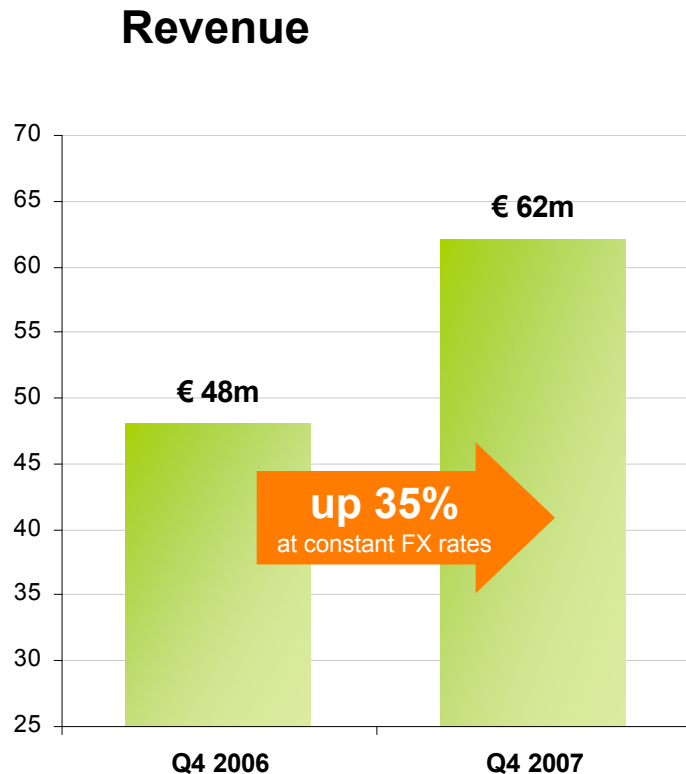
Secure Transactions



- ✦ Good resilience under a severely constrained operating environment
- ✦ Bigger proportion of modules than usual
- ✦ Steady growth in personalization
- ✦ Higher deliveries of contactless cards

Revenue variations are stated **at constant exchange rates** and by reference to 2006 fourth quarter revenue

Security



- ★ **Government Programs**
 - Revenue up by 28%
 - Strong deliveries of e-Passport and e-ID in the US and EMEA
 - Increased revenue from solutions
- ★ **Identity & Access Management**
 - Revenue up by 14%
 - Strong deliveries of online banking authentication solutions in the UK
 - Robust demand for secure USB tokens in Asia
- ★ **FY '07 patent licensing revenue of € 23m**

Revenue variations are stated **at constant exchange rates** and by reference to 2006 fourth quarter revenue.

Public Telephony

	Q4 2006	Q4 2007	% change
Revenue	€ 12m	€ 11m	(1%)

- ✦ A good quarter considering the continuing decline of the memory card market as mobile telephony spreads worldwide

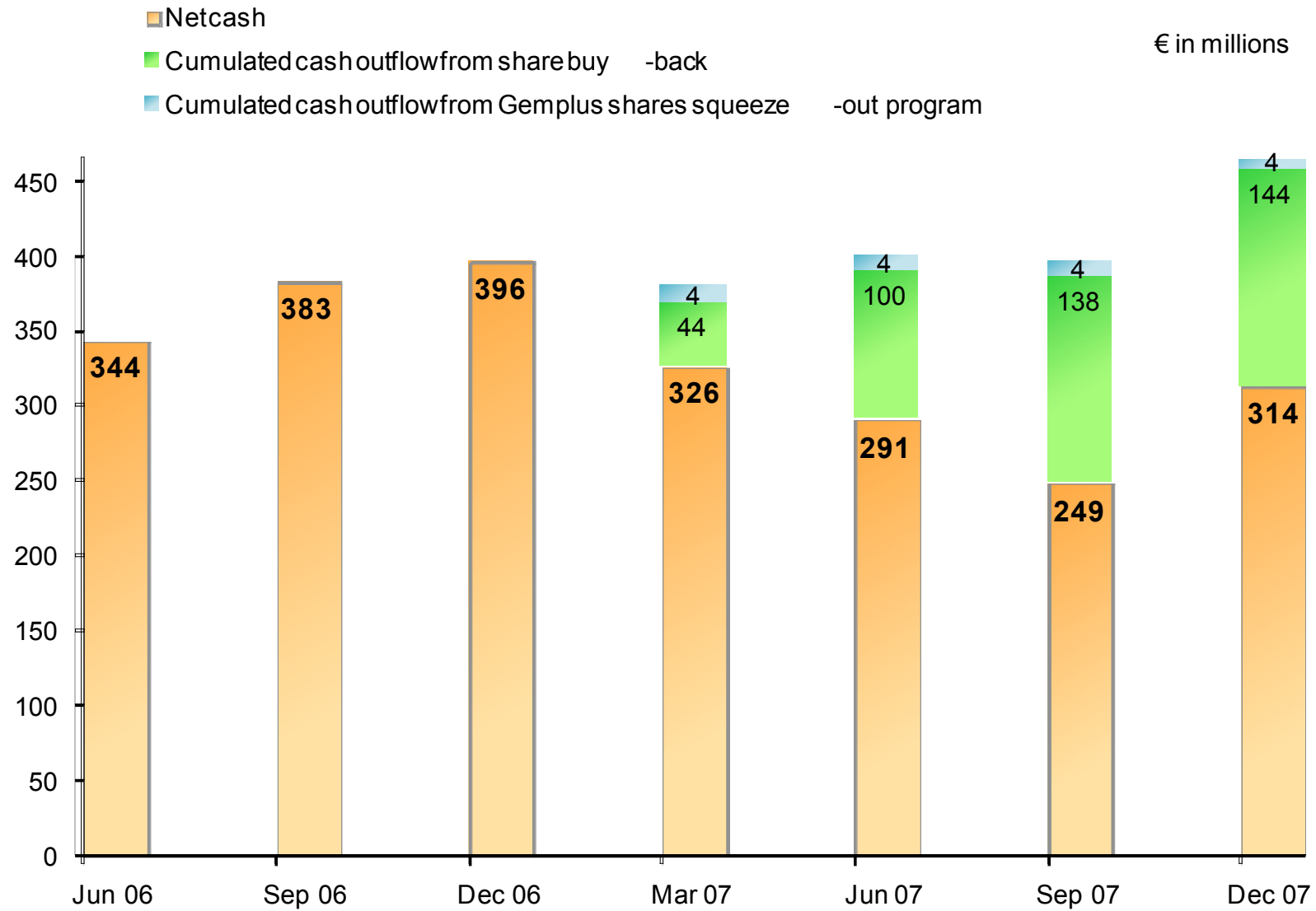
Point-of-Sale Terminals

	Q4 2006	Q4 2007	% change
Revenue	€ 14m	€ 15m	+11%

- ✦ Commercial success of products based on our new technology platform

Revenue variations are stated **at constant exchange rates** and by reference to 2006 fourth quarter revenue

Net cash position



- ✦ Overview
- ✦ Financial Results
- ✦ **Outlook**
Olivier Piou, CEO



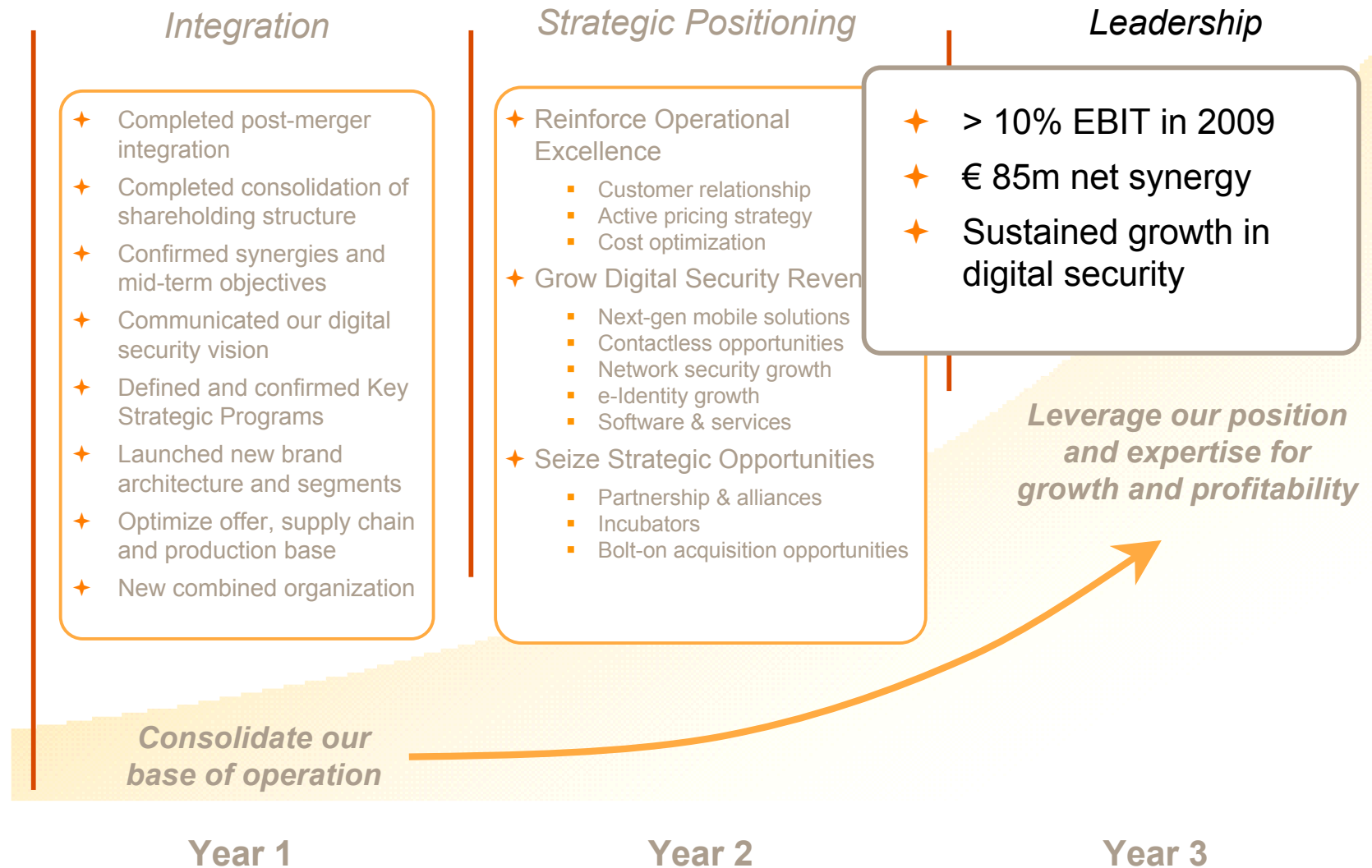
Outlook

In the second half of 2007, operating margin* will reflect the usual favorable seasonal pattern and the increasing contribution of our digital security solutions deployments. It will also benefit from the stable pricing pattern observed during the year due to our price discipline and from additional cost synergies from the combination. Preliminary indications of the Company adjusted operating income for the full year 2007 is that it will be above the current consensus of € 71 million.

Outlook for 2009 remains unchanged.

* Prepared on an adjusted basis, excluding one-off expenses incurred in connection with the combination with Gemplus, reorganization charges and charges resulting from the accounting treatment of the transaction.

Strategic route for growth and profitability





- ✦ World Leader in Digital Security ✦
- ✦ Markets in Strong Development ✦
- ✦ Unique Technology Portfolio ✦
 - ✦ Blue Chip Customers ✦
- ✦ Large Free Float and Robust Financials ✦
- ✦ A Business Model with Strong Leverage on Growth ✦