



Q1 2008 Revenue Release

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www.gemalto.com



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★ **Overview**

Olivier Piou, CEO

★ Financial Results

★ Outlook



First quarter 2008 highlights

- ✦ Revenue up by 12% at € 388 million
- ✦ Good performance with solid fundamentals in all main segments
- ✦ Synergy initiatives are progressing well
- ✦ Markets remain robust and attractive
- ✦ New wins in digital security



Revenue variations are stated **at constant exchange rates** and by reference to **2007 first quarter revenue**

Market developments

“ We see momentum in the growing demand for advanced SIM offers. Mobile operators continue to show strong interest in utilizing our solutions to enrich the customer experience. Overall market conditions are more stable and there is a strong focus on developing service offers.



Philippe Vallée
EVP Telecoms



Philippe Cambriel
EVP Secure Transactions

“ EMV rollout is very active in many countries across the globe. Demand for high-end DDA and dual interface cards provide a strong basis for mix improvement. We are vigorously pursuing many opportunities in personalization services and innovative solutions.”

“ Government projects carry on at a good pace in both deployments and the issue of new tenders. IAM markets also continue to gain momentum, particularly in Europe. Our partner network is growing and will greatly add to our indirect sales capabilities.”



Jacques Seneca
EVP Security

DDA = Dynamic Data Authentication; Dual Interface = contact and contactless; IAM = Identity & Access Management

Advancing digital security

- ✦ Contract wins in all main segments
- ✦ New device and service introductions, plus numerous pilots globally
- ✦ Expanding network of partners and technology collaborators
- ✦ A key voice in shaping industry standards and eco-systems
- ✦ Additional growth opportunities including incubation cells and bolt-on acquisitions



✦ Overview

✦ **Financial Results**

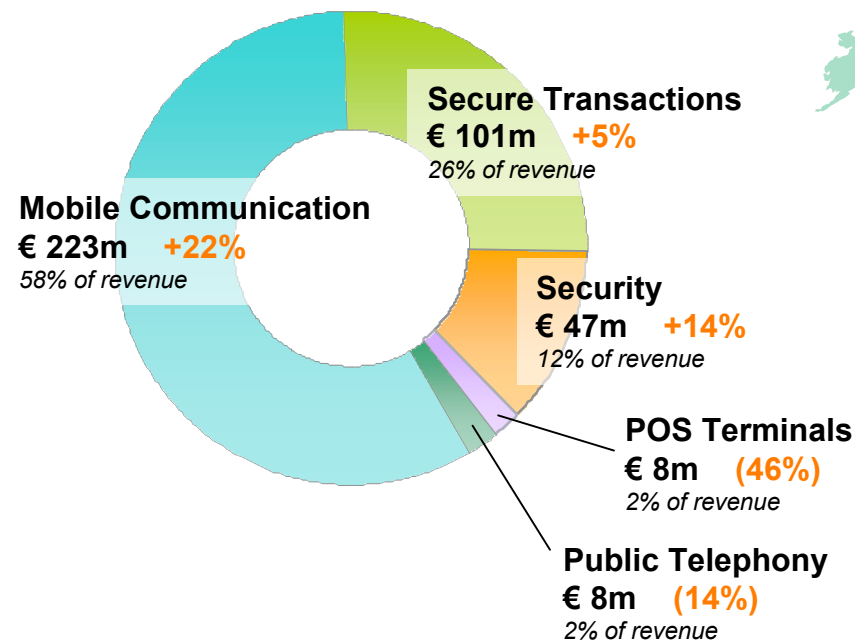
Jacques Tierny, CFO

✦ Outlook

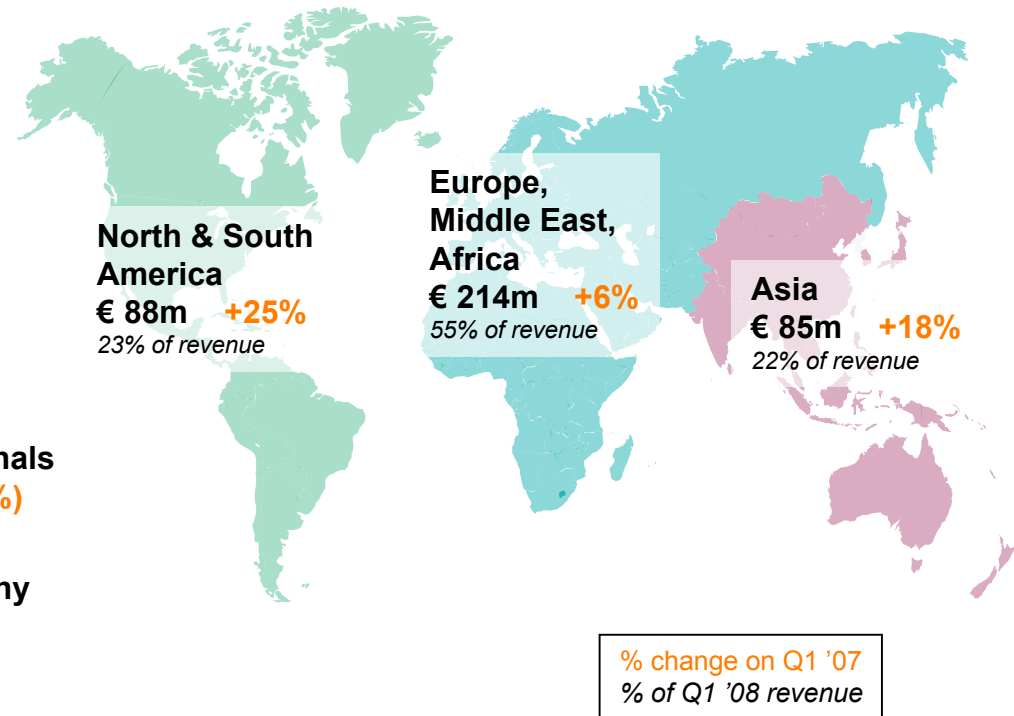


Q1 '08 revenue up by 12% to € 388 million

Segment contribution



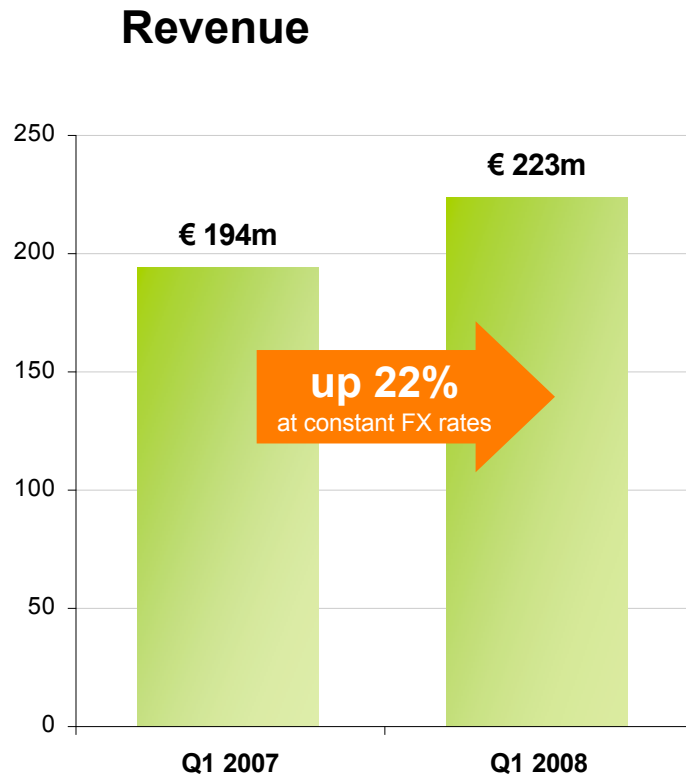
Regional contribution



% change on Q1 '07
% of Q1 '08 revenue

Revenue variations are stated at constant exchange rates and by reference to 2007 first quarter revenue

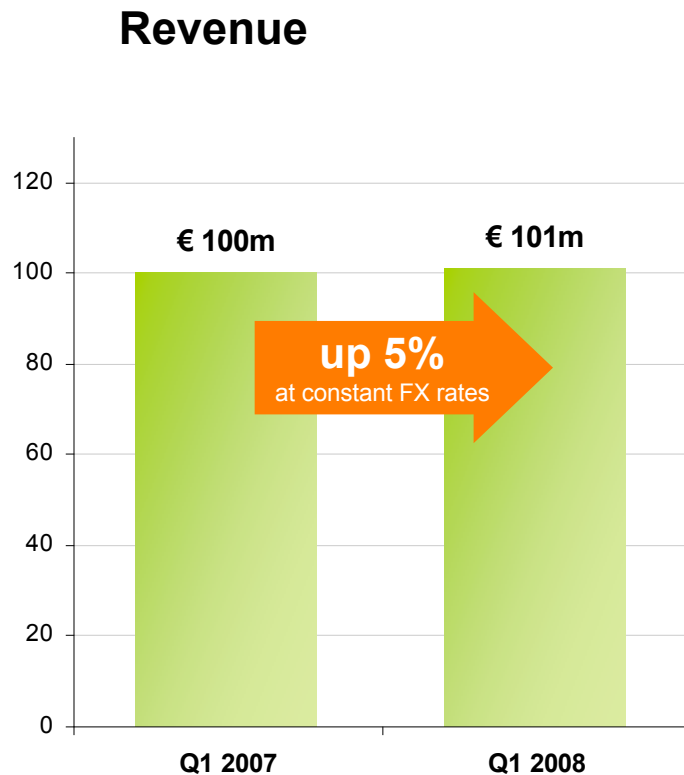
Mobile Communication: strong growth



- ✦ Improving product mix in all regions driving growth
- ✦ Year-on-year ASP increased by 2%
- ✦ Seasonality-related sequential ASP decline better than usual, at 9%
- ✦ Software and managed services revenue more than doubled compared to Q1'2007

Revenue variations are stated **at constant exchange rates** and by reference to 2007 first quarter revenue.
ASP variations are stated **at constant exchange rates**.

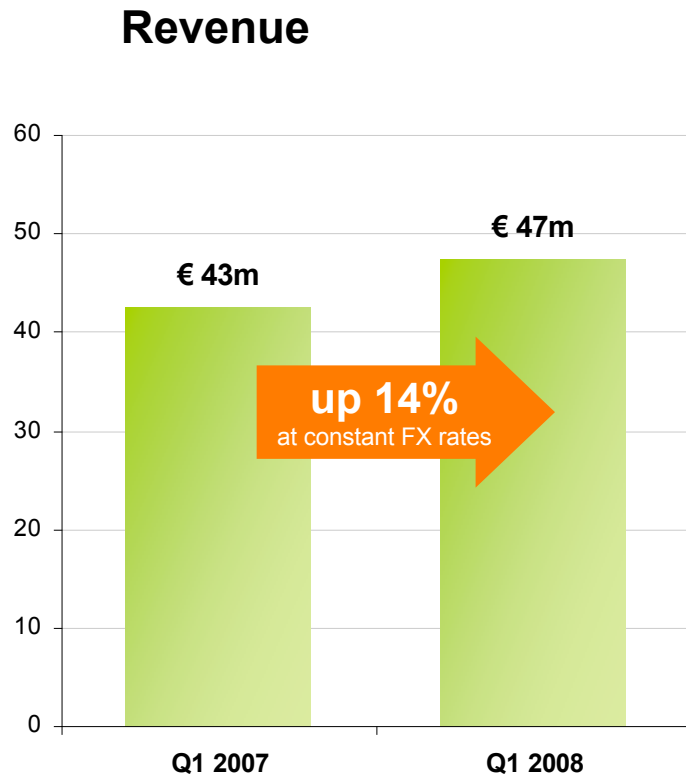
Secure Transactions: return to growth confirmed



- ✦ Expanding EMV migrations around the world driving payment revenue up by 12%
- ✦ 29% growth in personalization
- ✦ Strong demand for dual interface EMV cards (contact and contactless)
- ✦ Price discipline led to lower Pay-TV and Transport revenue

Revenue variations are stated **at constant exchange rates** and by reference to **2007 first quarter revenue**

Security: investments delivering growth



- ★ Segment revenue up 26% when excluding patent revenue
- ★ Government Programs up by 30%
 - Driven by deliveries of e-Passports
 - Increased revenue from solutions
- ★ Identity & Access Management up by 19%
 - Strong deliveries of online banking authentication solutions

Revenue variations are stated **at constant exchange rates** and by reference to **2007 first quarter revenue**

Public Telephony

	Q1 2007	Q1 2008	% change
Revenue	€ 10m	€ 8m	(14%)

- ✦ The memory card market for public telephony continues to decline as mobile telephony expands worldwide

Point-of-Sale Terminals

	Q1 2007	Q1 2008	% change
Revenue	€ 15m	€ 8m	(46%)

- ✦ Significant shipments delayed due to a faulty component detected in the contract manufacturer's supply chain
- ✦ Issue has been solved and deliveries have resumed

Revenue variations are stated **at constant exchange rates** and by reference to **2007 first quarter revenue**

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



Outlook

Our 2009 objective of 10% adjusted operating margin remains unchanged.

In 2008 we will benefit from the robust market demand we currently experience in our main segments. Our leadership position is generating commercial and operational advantages and we are encouraged by the progress in our performance. We currently see no evidence of the global financial turmoil impacting our activities, aside from the evolution in the average exchange rates between the Euro and other currencies. Growth and increased profitability will be driven, besides higher synergies, by the return to growth in Mobile Communications, the return to profit in Secure Transactions, and the ramp up of our recent contract wins in Security.

The successful completion of our 2006-2009 plan will create a strong foundation for our next phase of development



- ✦ 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 ✦