



Q3 2007 Revenue Release

Olivier Piou, CEO
Jacques Tierny, CFO

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www.gemalto.com



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★ Overview

Olivier Piou, CEO

★ Financial Results

★ Strategic Agenda



Third quarter 2007 highlights

- ★ Revenue up 6% vs. Q3 '06 to € 401 million
- ★ Growth in all main segments
- ★ SIM ASP up 4% vs. Q2 '07 driven by mix improvements and strict price discipline
- ★ Government Programs revenue up 39% vs. Q3 '06 driven by strong deliveries in US and EMEA
- ★ Growth in our Allynis service activities, particularly personalization in Secure Transactions
- ★ Restructuring program in Western Europe taking place progressively



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

Market developments

“ We see robust demand with product migration taking place across many regions. Operators have strong interests in more software and services. NFC pilots for mobile contactless are progressing, and we may see commercial rollouts during 2008. ”



Philippe Vallée
EVP Telecoms



Philippe Cambriel
EVP Secure Transactions

“ EMV migration is on course and contactless payment continues to see growing user acceptance in Asia, Europe and the US. ”

“ Government Programs is in strong growth overall. IAM continues to be an attractive opportunity, with strong authentication solutions in demand. ”



Jacques Seneca
EVP Security

NFC = Near Field Communication; EMV = Europay, MasterCard & VISA; IAM = Identity & Access Management

Success stories in digital security



Taiwan is set for its first SIM-based NFC pilot, with Far EasTone and its partner merchants offering its subscribers the chance to experience mobile contactless in payments, ticketing and interaction with smart posters; supported by Gemalto's technology solutions



Gemalto teamed up with Oi Brazil to deploy mobile content services to its 13 million subscribers, promoting value-added services usage through downloads, games, alerts and e-auctions



Gemalto is supplying SEB Germany with the innovative CardLikeMe™ solution which allows their 5-million customers to customize and order new credit cards via secure access to an online design portal

★ Overview

★ **Financial Results**

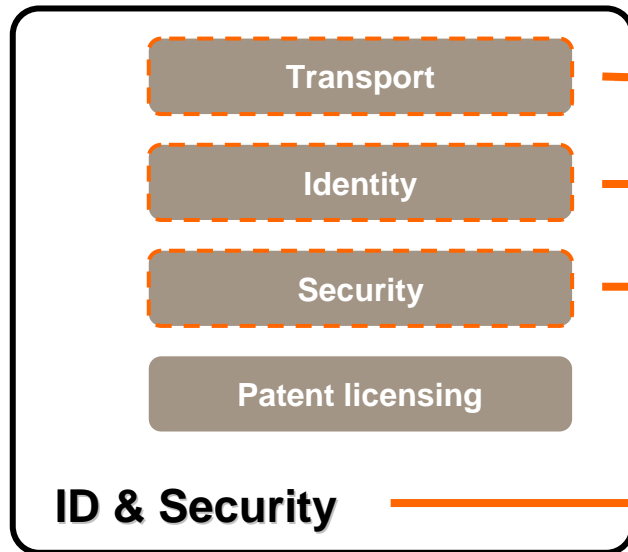
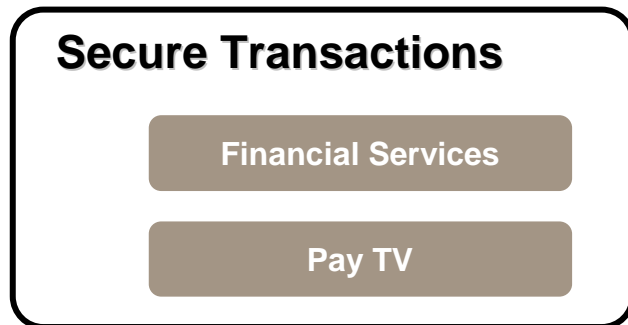
Jacques Tierny, CFO

★ Strategic Agenda

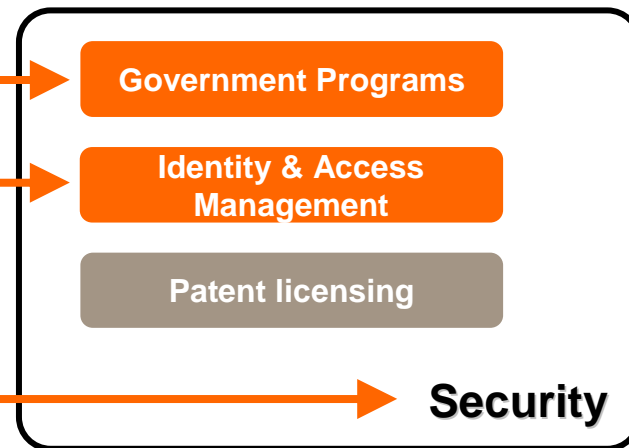
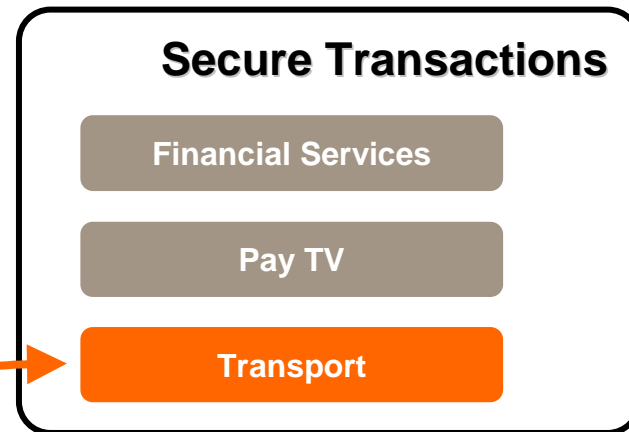


Aligning financial reporting segments

Up until June 30, 2007

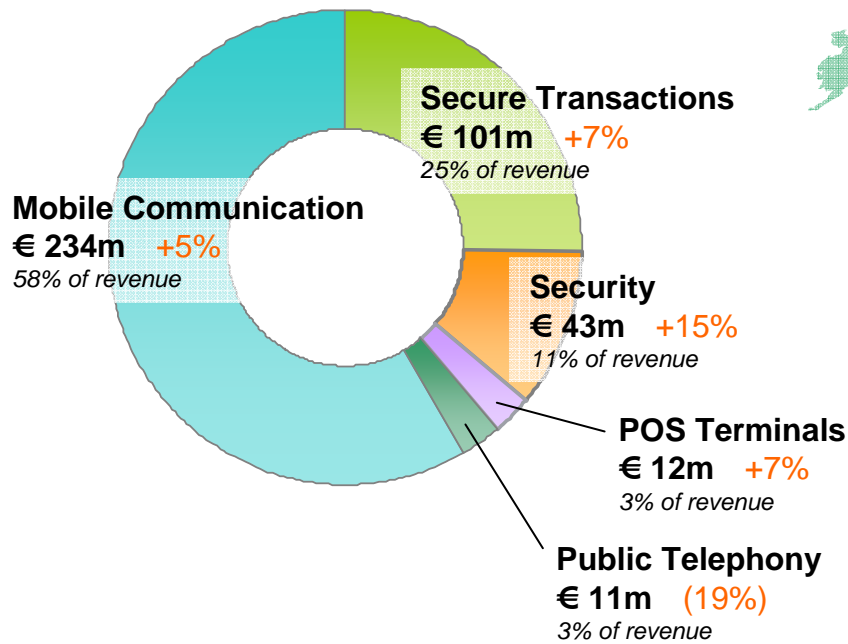


Effective July 1, 2007

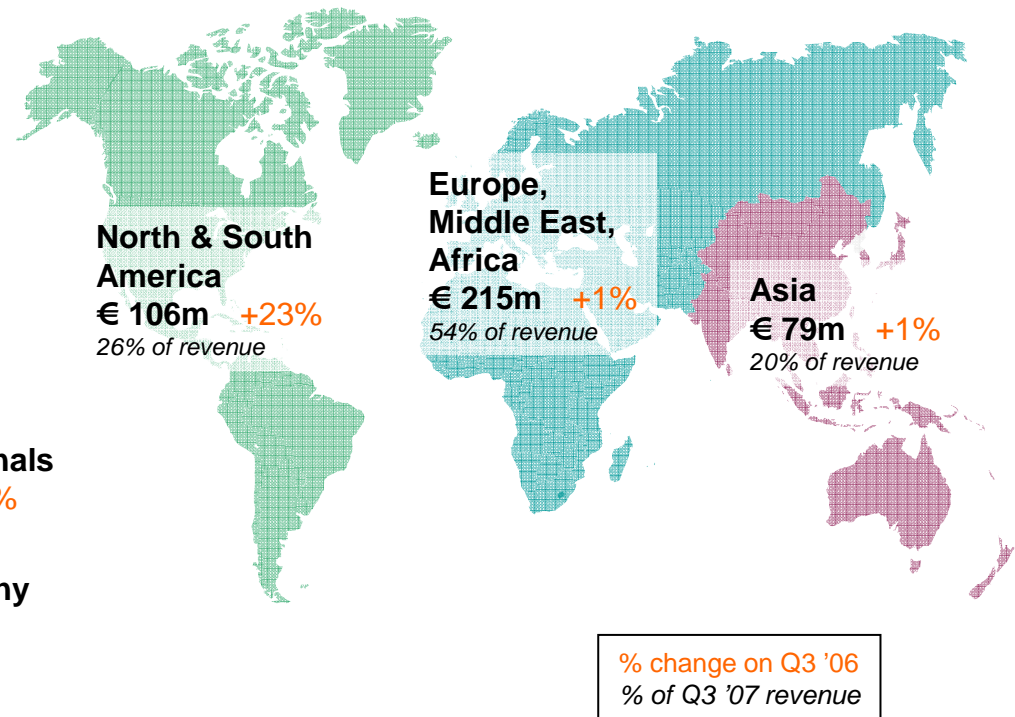


Revenue up 6% vs. Q3 '06 to € 401 million

Segment contribution

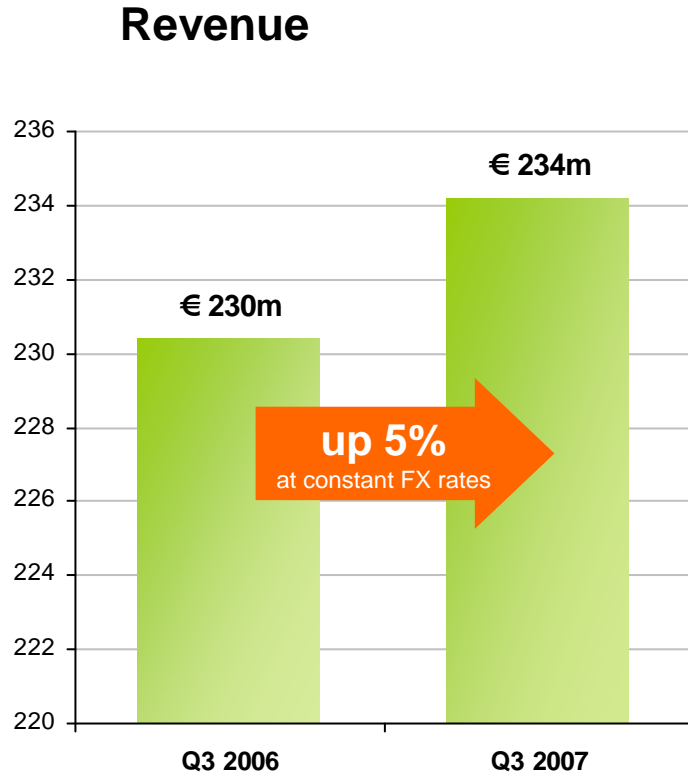


Regional contribution



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

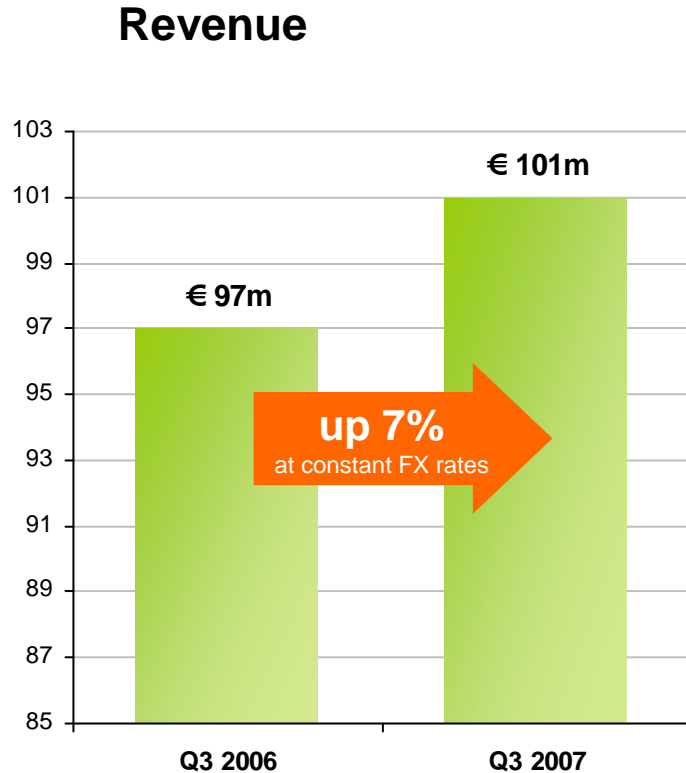
Mobile Communication



- ★ Return to growth
- ★ ASP up 4% from Q2 '07
- ★ Good product mix in all regions
- ★ Growing demand for high-end applications and managed services

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

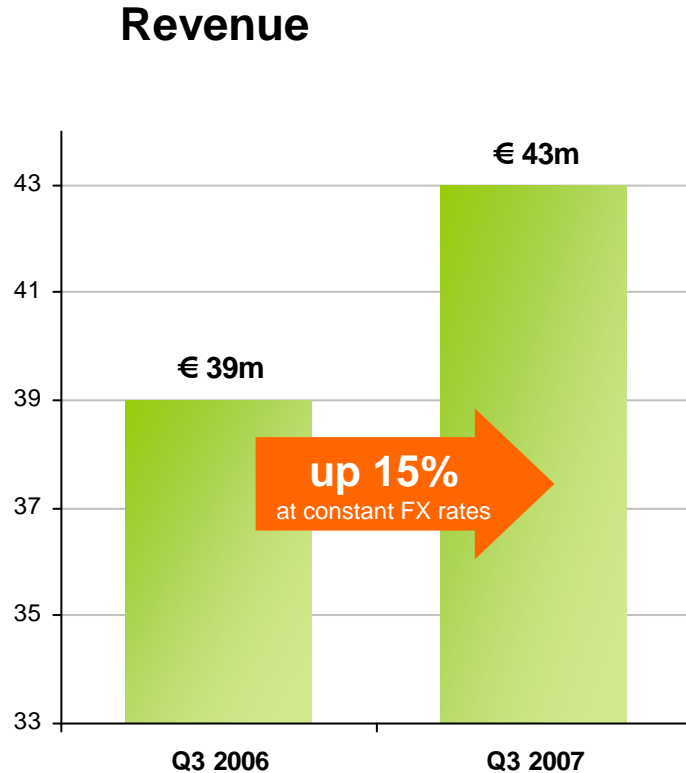
Secure Transactions



- ★ Strong growth in personalization
- ★ Higher deliveries of contactless cards, particularly in Asia
- ★ Manufacturing rationalization in Western Europe impacted deliveries
- ★ Higher proportion of modules
- ★ Growth in Pay TV and Transport

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

Security



- ★ **Government Programs**
 - Revenue up by 39% vs. Q3 '06
 - Strong deliveries of e-Passport and e-ID in the US and EMEA
 - Increased revenue from services
- ★ **Identity & Access Management**
 - Revenue down 19% vs. Q3 '06 due to slower activity in EMEA and the US
 - Online banking OTP solutions ramping up in the UK
 - Increased indirect sales and new VARs signed
- ★ **Similar to Q3 '06, no significant patent licensing activity**

Revenue variations are stated at constant exchange rates and by reference to 2006 third quarter revenue.
OTP = One Time Password; VAR = Value-added Reseller

Public Telephony

	Q3 2006	Q3 2007	% change
Revenue	€ 14m	€ 11m	(19%)

- ✦ Continuing decline of the memory card market as mobile telephony spreads worldwide

Point-of-Sale Terminals

	Q3 2006	Q3 2007	% change
Revenue	€ 11m	€ 12m	+7%

- ✦ Growth supported by successful launch of new technology platform in Q4 '06

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

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 additional cost synergies from the combination
- ✦ Gemalto continues to anticipate sustained demand in all of its key markets. It will continue to proactively make the necessary adjustments to its cost base and remains determined to reach its stated objective of an operating margin* above 10% in 2009

* 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.

★ Overview

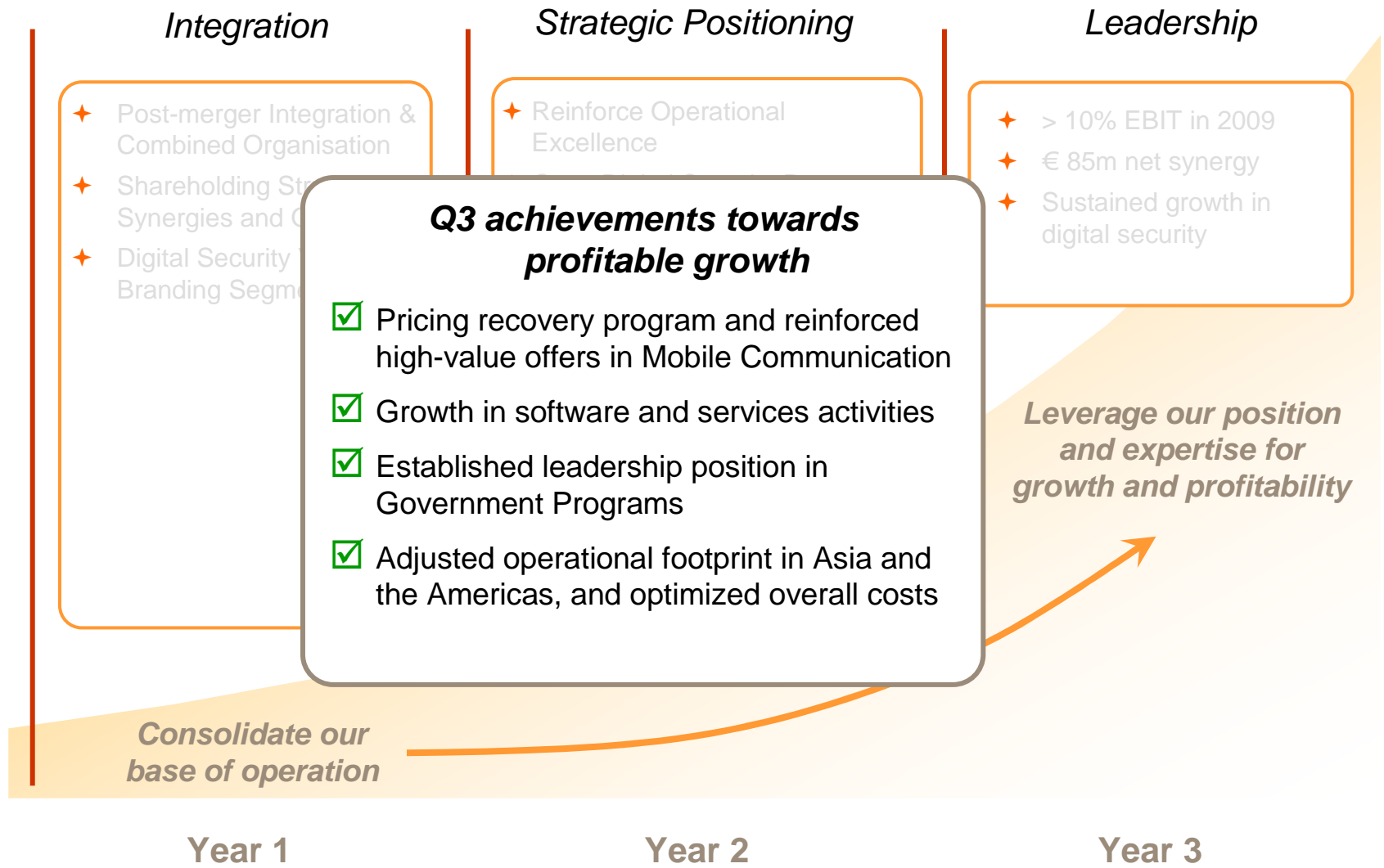
★ Financial Results

★ **Strategic Agenda**

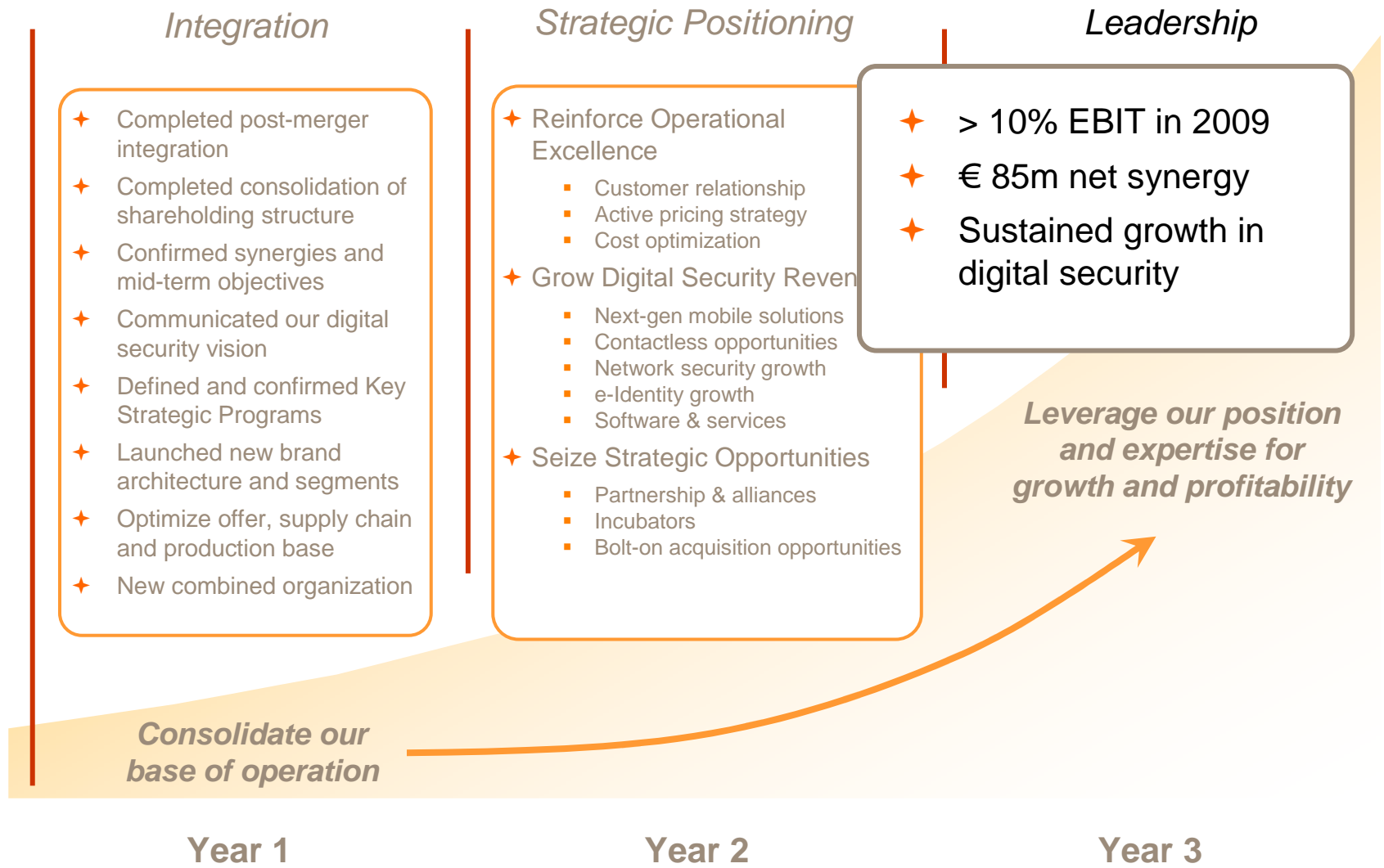
Olivier Piou, CEO



Strategic route for growth and profitability



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 ✦