

# Q3 2008 Revenue Release

Olivier Piou, CEO  
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# ★ Overview

Olivier Piou, CEO

★ Financial Results

★ Outlook



# Third quarter 2008 highlights

- ✦ Revenue up 10% to €418 million
- ✦ 60% growth in software & services activities
- ✦ Continued mix improvements in *Mobile Communication*
- ✦ Good momentum with global EMV rollout in *Secure Transactions*
- ✦ Steady growth in *Security* with continued rollout of government contracts
- ✦ New digital security wins showcase our services offering



Revenue variation is by reference compared to Q3 2007 and is stated at constant exchange rates

# Market developments

“ Globally, demand for SIM cards remains dynamic. To grow our business, we continue to develop more software and services. These are gaining interest from our customers, and go hand-in-hand with improving product mix. ”



Philippe Vallée  
EVP Telecoms



Philippe Cambriel  
EVP Secure Transactions

“ Our main EMV markets maintained their rollout momentum, and we continue to explore new business opportunities to help our customers respond to the challenges of the financial environment. The integration of Keycorp’s MULTOS business is going well: this portfolio of products and services reinforces our high-end offer. ”

“ We continue to see a number of programs under preparation, with governments committed to prioritizing security and efficiency. IAM is more project-based, and the need to improve user confidence in online interactions continues to be important. ”



Jacques Seneca  
EVP Security

IAM = Identity & Access Management

# New wins highlighting our service offerings



*Examples of our recent successes...*

- ★ Advance solution and services for Mobile TV in Singapore
  - Collaborative launch with key actors in the eco-system
  - Includes advanced platform for the secure monitoring of audience usage
- ★ Turnkey EMV migration solution for ING Bank Slaski in Poland
  - Local personalization services
  - High-end, SEPA-compliant offering
- ★ Personalization for 2<sup>nd</sup> generation French e-passport
  - Secure EAC personalization
  - Extendable to other types of secure documents (e.g. eID, Visas)

EMV = Europay, MasterCard and Visa; SEPA = Single European Payment Area; EAC = Extended Access Control

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★ **Financial Results**

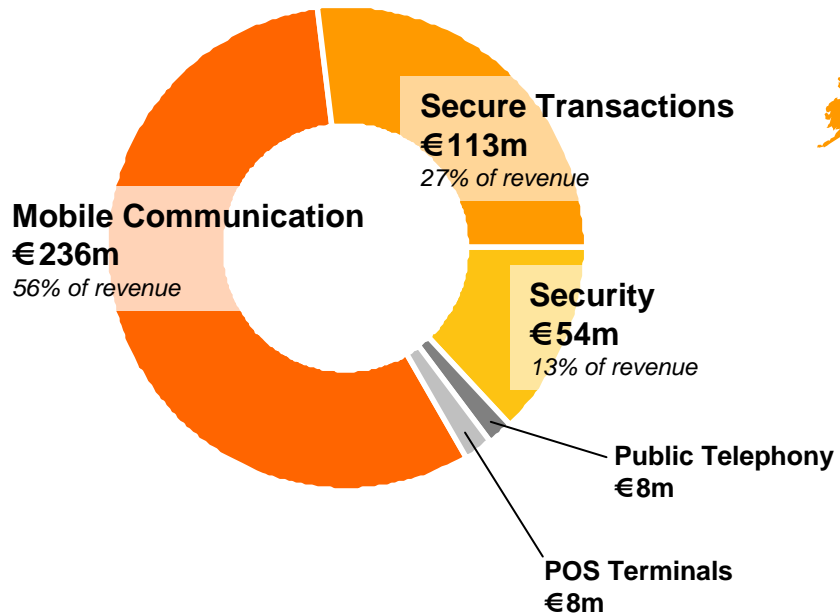
Jacques Tierny, CFO

★ Outlook

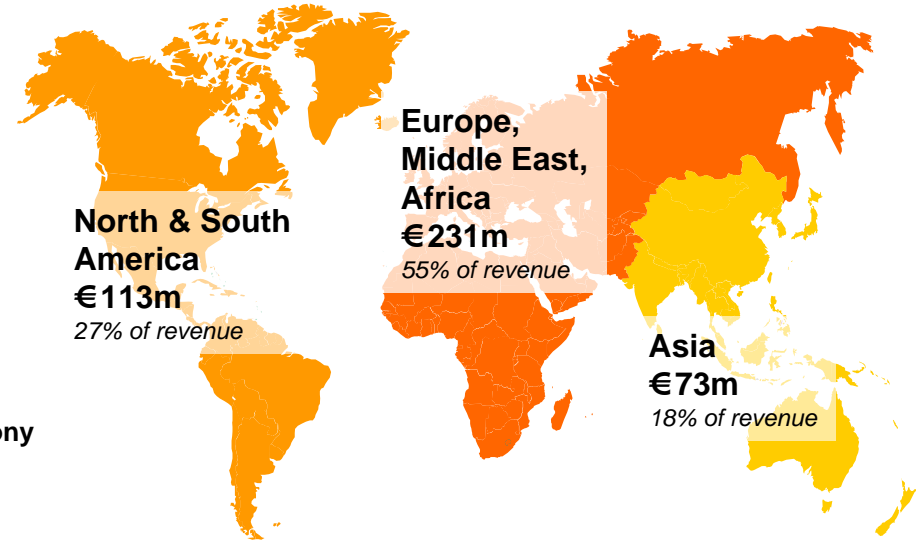


# Revenue up 10% at € 418m

## Segment contribution



## Regional contribution



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

# Our three main segments together grew by 12%

## Mobile Communication

Revenue |  
+6% | € 236m

- Continued product mix upgrade across all regions
- Strong deliveries in entry range markets
- SIM ASP increased 5% sequentially
- Software and services revenue doubled

## Secure Transactions

Revenue |  
+18% | € 113m

- Growth driven by EMV roll outs
- Contactless products deliveries continue to be strong
- Selective approach to tenders in Transport activity
- Personalization services up 33%

## Security

Revenue |  
+30% | € 54m

- Government Programs up 22% with strong deliveries in Europe and the Middle East
- IAM up 50% on the back of e-banking and enterprise authentication solutions

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

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**Olivier Piou, CEO**



# Outlook

Revenue growth at constant exchange rates for 2008 is anticipated to be within the 8% to 12% range. Our business has strong fundamentals and prospects, at the same time short-term visibility is limited by the current global environment. We confirm our 2008 profit outlook of around € 160 million in adjusted operating income, and our 2009 objective of above 10% adjusted operating margin remains unchanged.



- ✦ 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 ✦