Q3 2008 Revenue Release

Olivier Piou, CEO
Jacques Tierny, CFO

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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
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.

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.

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.

IAM = Identity & Access Management
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 2nd 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
Overview

Financial Results
Jacques Tierny, CFO

Outlook
Revenue up 10% at € 418m

Segment contribution

- Mobile Communication: € 236m (56% of revenue)
- Secure Transactions: € 113m (27% of revenue)
- Security: € 54m (13% of revenue)
- Public Telephony: € 8m
- POS Terminals: € 8m

Regional contribution

- Europe, Middle East, Africa: € 231m (55% of revenue)
- North & South America: € 113m (27% of revenue)
- Asia: € 73m (18% of revenue)

Revenue variations are stated at constant exchange rates and by reference to 2007 third quarter revenue.
Our three main segments together grew by 12%

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<thead>
<tr>
<th>Mobile Communication</th>
<th>Secure Transactions</th>
<th>Security</th>
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<tbody>
<tr>
<td>Revenue</td>
<td>Revenue</td>
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<tr>
<td>+6%</td>
<td>+18%</td>
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<td>€ 236m</td>
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- Continued product mix upgrade across all regions
- Strong deliveries in entry range markets
- SIM ASP increased 5% sequentially
- Software and services revenue doubled
- Growth driven by EMV roll outs
- Contactless products deliveries continue to be strong
- Selective approach to tenders in Transport activity
- Personalization services up 33%
- 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.
Overview

Financial Results

**Outlook**

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