

H1 2009 Earnings Release

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★ Overview

Olivier Piou, CEO

★ Financial Results

★ Moving forward



First half 2009 highlights

- ★ First half revenue at € 800 million
- ★ Operating income of € 74 million, representing an operating margin of 9.2%
- ★ Very active Q2, with revenue up 18% over Q1
- ★ *Security* segment turns profitable, ahead of plan
- ★ Resilience in the *Mobile Communication* and *Secure Transactions* segments
- ★ Strong net cash position at € 322 million



Revenue variation are stated at historical exchange rates

✦ Overview

✦ **Financial Results**

Jacques Tierny, CFO

✦ Moving forward



Record first semester

Extracts from Gemalto H1 2009 Adjusted Income Statement

Revenue	€ 800m	Growth	+ 1%
Gross Profit	€ 289m	Gross Margin	36.2%
		+140 bp	
EBIT	€ 74m	EBIT margin	9.2%
		+40 bp	

Revenue variation are stated at historical exchange rates and by reference to previous year's first semester

Resilience in *Mobile Communication* and *Secure Transactions*

Mobile Communication

Revenue	€ 416m	Growth	(6%)
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Gross Profit	€ 174m	Gross Margin	+110 bp 42%
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EBIT	€ 55m	EBIT Margin	(180 bp) 13%

Margin resilience thanks to continuous optimization of operations

- Traditional seasonality confirmed with Q2 up 17% sequentially, i.e. over Q1 '09
- Q2 SIM Average Selling Price unchanged sequentially
- H1 SIM cards ASP down 14% year-on-year due to larger shipments to emerging countries
- Expansion and promotion of software & services offers drive increase in operating expenses, up 3 ppt

Secure Transactions

Revenue	€ 219m	Growth	+2%
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Gross Profit	€ 55m	Gross Margin	(300 bp) 25%
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EBIT	€ 9m	EBIT Margin	(450 bp) 4%

Top-line resilience and profitability in line with H2 2008

- Growth driven by the deployments of contactless payment cards
- Customers inventory optimization and currency exchanged effects reduced gross margin
- Operating expenses include expenses of acquired activities
- Further expansion of personalization services

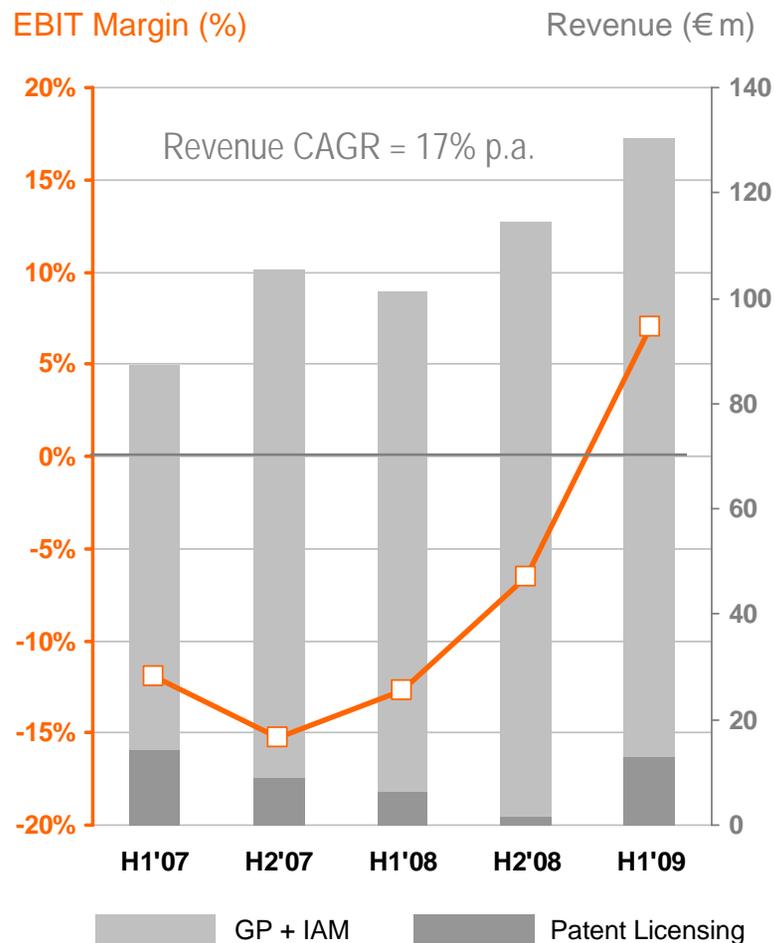
Revenue variation are stated at historical exchange rates and by reference to previous year's first semester

Security is now profitable

Revenue	€ 130m	Growth	+ 29%
Gross Profit	€ 53m	Gross Margin	+ 1'260 bp 40%
EBIT	€ 9m	EBIT Margin	n/a 7%

Profitable operations, ahead of plan

- Revenue driven by a 36% growth in Government Programs
- Patent licensing revenue doubling to € 12.8 m
- Gross margin up on further industrialization of product portfolio and scale benefits
- Strong leverage on operational expenses
- GP & IAM combined are also above break even



Revenue variation are stated at historical exchange rates and by reference to previous year's first semester

Adjusted and IFRS results reconciliation

Gemalto presents income statements on an Adjusted basis for a better appreciation of its operating performance as accounting treatment of acquisitions per IFRS 3 "Business Combinations" generates significant changes on financial statements.

	Adjusted	Less: Reorganization charges	Amortization of intangible assets	IFRS
H1 '09 EBIT	€ 74m	€ (4m)	€ (15m)	€ 56m
H1 '09 Net income	€ 62m	€ (4m)	€ (12m)	€ 46m

Outlook

Our business has strong fundamentals and prospects. We continue our mission to provide trust and convenience to the wireless and digital world that is emerging, and look ahead with the goal of revenue growth and earnings expansion.

Market seasonality in 2009 is expected to be in line with historical patterns. Our 2009 objective of above 10% adjusted operating margin remains unchanged.

✦ Overview

✦ Financial Results

✦ **Moving forward**

Olivier Piou, CEO



Continuing good progress on our 2009 priorities

- ★ New wins in application platforms and operated service contracts across all business segments and geographic regions
- ★ *Mobile Communication* saw important wins in China (3G) and US (LTE)
- ★ *Secure Transactions* is growing and developing its service business
- ★ *Security* is profitable, driven by developments in Government Programs
- ★ Continuous operational improvements

We continue to benefit from our balanced portfolio of activities, and from our teams' dedication in serving our customers and excellence in execution



- ✦ 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 ✦