

Q2 and H1 2007 revenue

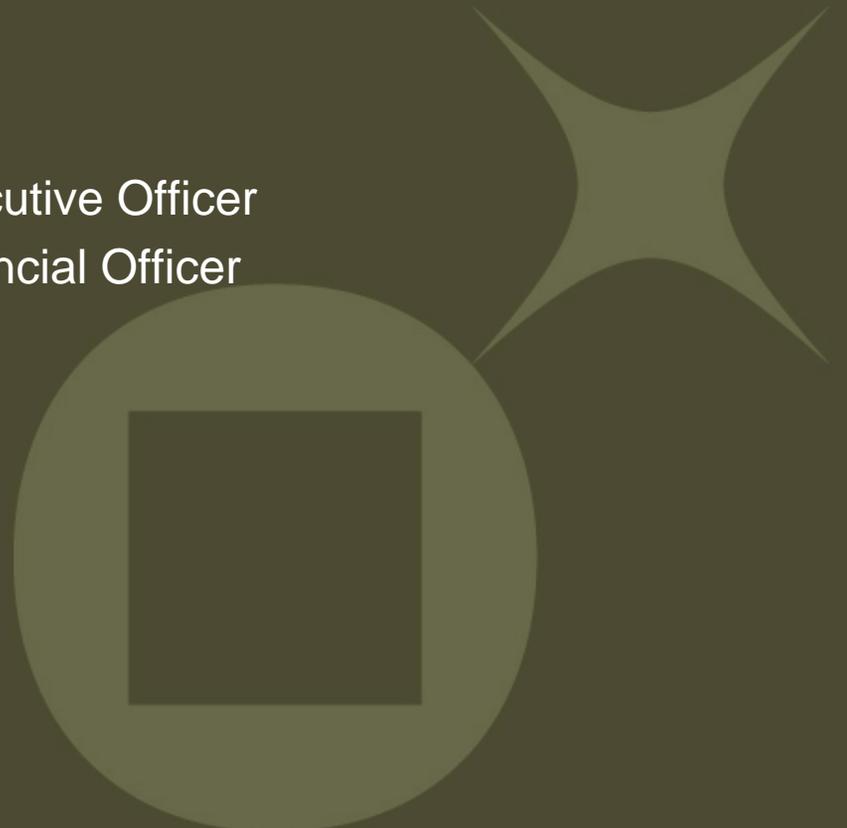
July 26, 2007

Olivier Piou

Charles Desmartis

Chief Executive Officer

Chief Financial Officer



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Agenda

✦ Introduction

- ✦ Q2 & H1 2007 revenue
- ✦ Recent successes and strategy

Q2 2007 Highlights

- ✦ Second quarter revenue at € 398 m, down 6% at constant exchange rates
- ✦ Improved performance in Mobile Communication: Average Selling Price up 7%* sequentially
- ✦ New commercial successes in digital security
- ✦ Active adaptation of cost structure
- ✦ Share buy back program: 5.7 million shares (6.3% of capital) purchased for € 106 million as of July 20, 2007



Active adaptation of cost structure

- ✦ Main evolutions of the global footprint
 - Q1 '07: facility specialization and rationalization in Mexico, Russia and South Africa completed
 - Q2 '07: closure of Owing Mills (U.S.) facility completed
 - Q3 '07: closure of Havant (U.K.) and Hong Kong facilities
 - Q4 '07: closure of Hunan (China) plant
 - Announced implementation of a restructuring project in France, that would result in the ending of manufacturing activities in Orleans by H2 '08
- ✦ Adaptation of the support structure

Q2 / H1 2007 Market highlights

★ Mobile Communication

- Strong demand worldwide for products and services
- Improved market environment compared with H1 2006, still very competitive in entry-range SIM cards
- Strong interest for advanced SIM-based contactless mobile applications and for services

★ Secure Transactions

- EMV* migration progressing
- Contactless payment card initial deployments in Asia and several pilots in Europe

★ Identity & Security

- Large scale e-passport programs ramping up in Europe
- Widespread adoption of e-ID and e-healthcare
- Increasing online transactions fraud prompting banks to adopt strong authentication devices

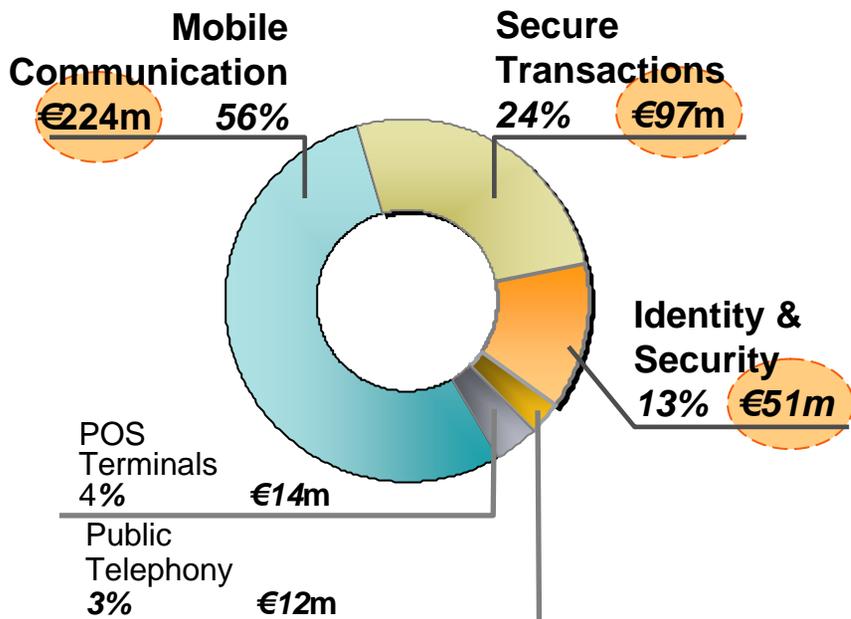


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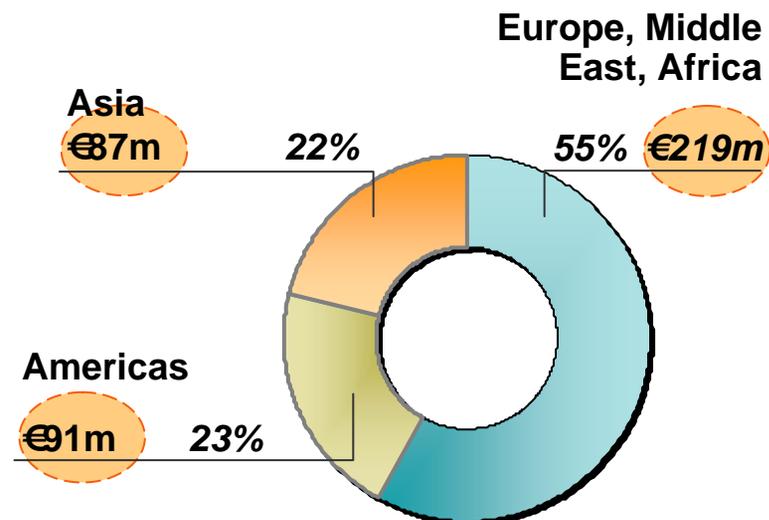
- ✦ Introduction
- ✦ **Q2 & H1 2007 revenue**
- ✦ Recent successes and strategy

Q2 '07 revenue: € 398 million

Segment contribution



Area contribution



★ Segment contribution

- Secure Transactions: was 23% in Q2 06
- Identity and Security: was 12% in Q2 06
- Mobile Communication: was 59% in Q2 06

★ Area contribution

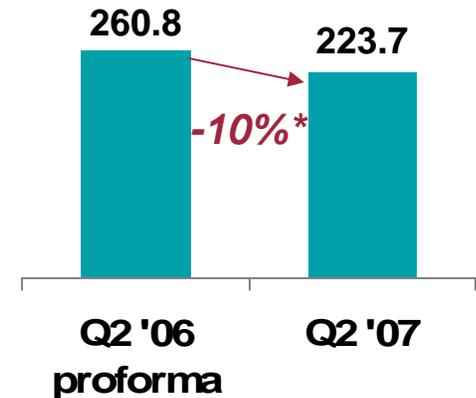
- EMEA: was 51% in Q2 06
- Asia: stable
- Americas: was 26% in Q2 06

Mobile Communication

- ★ Q2 '07 revenue lower by 10%*, leading to H1 '07 revenue lower by 11%*, in line with the Company expectations
- ★ Gemalto's pricing discipline reflected in encouraging Average Selling Price evolution :
 - 7%* increase vs. Q1 '07
 - 10%* decrease vs. Q2 '06
- ★ Market environment improving vs. Q2 '06; pricing pressure remains strong in entry-range SIM cards
- ★ Volume delivered in Q2'07 stable at 230 million units
 - Growth in Europe and the Americas
 - Lower deliveries in the emerging markets resulting from Gemalto's strict pricing discipline
- ★ Rapidly expanding revenue in Software & Services rewarding Gemalto's digital security leadership and high-end application expertise

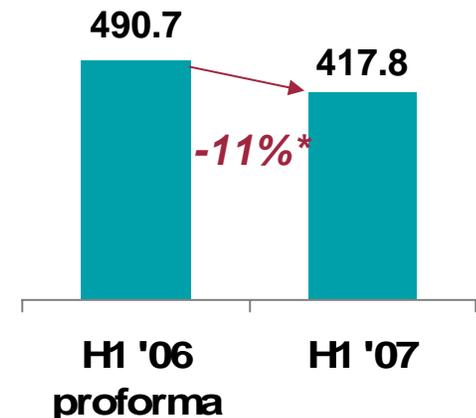
€ in millions

Quarterly revenue



€ in millions

Half-year revenue



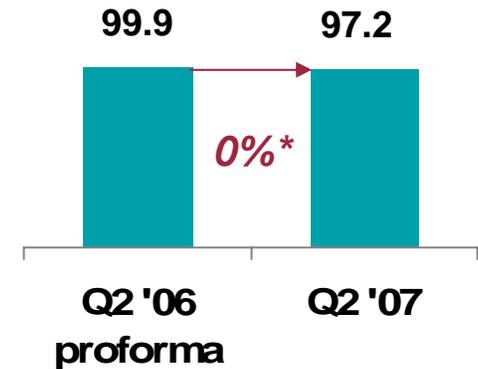
* At constant exchange rates

Secure Transactions

- ✦ Q2 '07 revenue stable at constant exchange rates, H1'07 up 4%*
- ✦ Microprocessor card and module volumes up 10% vs. Q2 '06 with 58 million units delivered
- ✦ Ongoing deployment and renewal of EMV cards in Europe, offset by pricing pressure in certain markets
- ✦ Strong growth in pay-TV
- ✦ Contactless payment solutions deployed in Asia

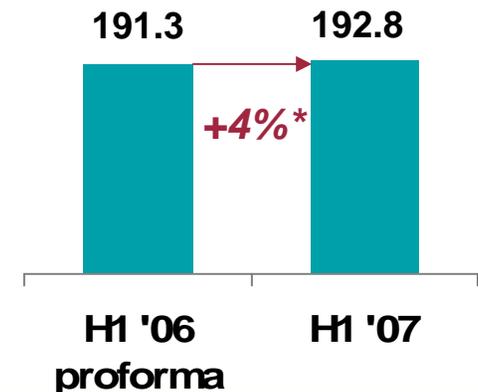
€ in millions

Quarterly revenue



€ in millions

Half-year revenue



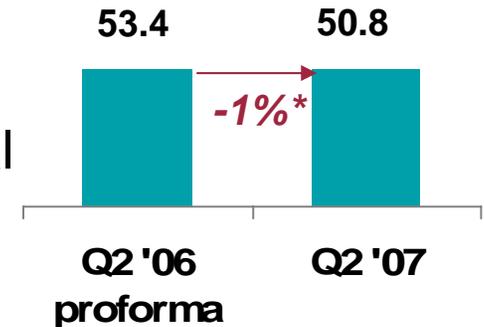
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Identity & Security

- ✦ Q2 '07 revenue stable at constant exchange rates, leading to H1 '07 lower by 5%*
- ✦ 12 electronic passport programs in deployment
- ✦ Strong activity in e-Identity in Belgium and Portugal
- ✦ Lower revenue in e-Healthcare
 - High comparison basis with a large project deployed in Q2 '06 in Latin America
 - Revenue from new contracts in ramp-up phase
- ✦ Strong patent licensing activities in H1 '07 (€14m), however as expected lower than the unusually high level recorded in H1 '06 (€24m)
- ✦ Major wins:
 - Electronic health card program in Germany (AOK)
 - Electronic driver licenses in Mexico

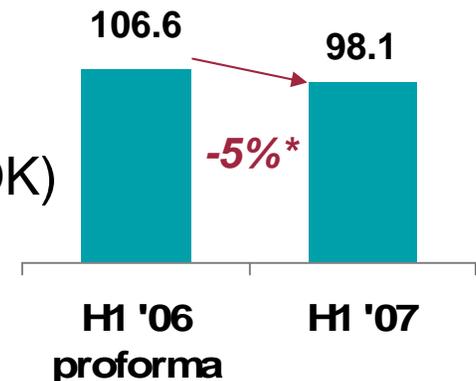
€ in millions

Quarterly revenue



€ in millions

Half-year revenue



* At constant exchange rates

Public Telephony

€ in millions	Q2 '06 pro forma	Q2 '07	% change*	H1 '06 pro forma	H1 '07	% change*
Revenue	15.0	11.6	-18%	32.9	22.0	-29%

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

Point of Sales Terminals

€ in millions	Q2 '06 pro forma	Q1 '07	% change*	H1 '06 pro forma	H1 '07	% change*
Revenue	11.0	14.3	+ 34%	24.8	29.2	+ 22%

- ✦ Revenue increase reflecting the successful introduction of a common, highly adaptable new technology platform

* At constant exchange rates

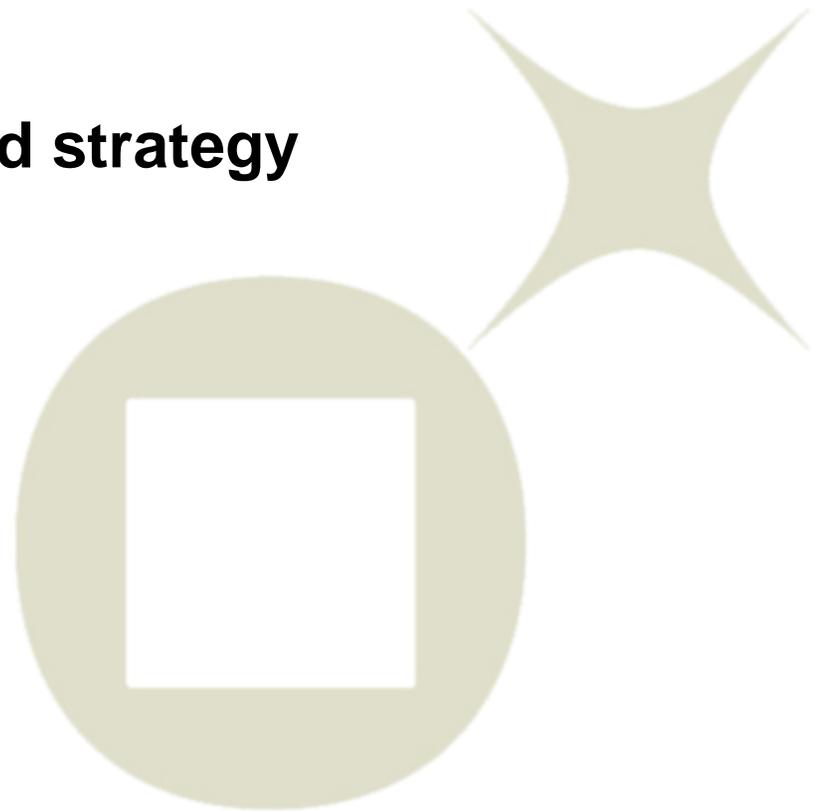
Outlook

- ✦ In the first half of 2007, demand in Mobile Communication was mainly driven by emerging countries and Gemalto's revenue profile therefore consists primarily of entry and mid-range products. Furthermore, in the first half of 2007, Gemalto's operating margin ⁽¹⁾ will not benefit from the unusually high patent licensing revenue and positive one-off items booked in the same period of 2006. Cost synergies from the combination are materializing progressively in line with the Company's expectations, but they will not be sufficient to offset the adverse effect on the operating margin ⁽¹⁾ of the strong price decline of last year.
- ✦ In the second half of 2007, operating margin⁽¹⁾ should reflect the usual favorable seasonal pattern and the increasing contribution of the first digital security solutions deployments. The Company will also benefit from additional cost synergies from the combination.
- ✦ Gemalto continues to anticipate sustained demand in all of its key markets. The Company will continue to proactively make the necessary adjustments to its cost base and remains determined to reach its stated objective of an operating margin⁽¹⁾ above 10% in 2009.

(1) Prepared on an Adjusted basis (Adjusted pro forma basis for H1 2006), excluding one-off expenses incurred in connection with the combination with Gemplus, reorganization charges and charges resulting from the accounting treatment of the transaction, and assuming that the combination had taken place as of January 1, 2005.

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- ✦ **Recent successes and strategy**



gemalto^x

recent successes...

*MasterCard® and
Visa CAP 2007
certification for
Gemalto's two-factor
authentication device*

*Nationwide Over-the-Air
campaign for Thailand's
largest mobile operator*

*Over-the-Air
rebranding solution
selected by Orange
in Africa*

*Large-scale
Electronic healthcare
program in Germany*

*First smart card-
based driving
license in Mexico*

*Citibank Taiwan
EMV turnkey
solution*

*Morocco's
Meditel with
phonebook
backup service*

Major win: electronic health card program in Germany

- ✦ 35 million highly secure health cards to be deployed by health insurance company AOK (Allgemeine Ortskrankenkasse)
- ✦ Advanced digital healthcare solution provided to improve efficiency of health services, reducing fraud and enhancing privacy
- ✦ An active security device to perform strong authentication of the patient
 - Carrying electronic prescriptions
 - Enabling secure access to an electronic medical file, read only if the patient consents by entering the card's PIN
 - Allowing data update once in the field



e-Identity programs won: 12 passports, 10 identity cards and driver licenses, 7 e-healthcare

Electronic passports

- ✦ Europe
 - Czech Republic
 - Denmark
 - Estonia
 - France
 - Italy
 - Norway
 - Poland
 - Portugal
 - Slovenia
 - Sweden
- ✦ Americas
 - United States
- ✦ Asia
 - Singapore



Electronic identity cards (ID) and driver licenses (DL)

- ✦ Europe
 - Belgium ID
 - Finland ID
 - Portugal ID
- ✦ Middle East
 - Oman ID
 - Qatar ID
 - UAE ID
- ✦ Americas
 - El Salvador DL
 - Mexico DL
 - Brazil ID
- ✦ Asia
 - India DL

Electronic healthcare

- ✦ Europe
 - France
 - Germany
 - Slovenia
- ✦ Africa
 - Algeria
- ✦ Americas
 - Mexico
 - Puerto Rico
- ✦ Asia
 - China



Strategic route for growth and profitability

Preparation

- ✦ Obtained regulatory merger approvals
- ✦ Prepared scenarios and response plans
- ✦ Prepared integration procedures
- ✦ Defined synergy and mid-term objectives

Integration

- ✦ Completed post-merger integration
- ✦ Completed consolidation of shareholding structure
- ✦ Confirmed synergies and mid-term objectives
- ✦ Communicated our digital security vision
- ✦ Defined and confirmed Key Strategic Programs
- ✦ Launched new brand architecture and segments
- ✦ Optimize offer, supply chain and production base
- ✦ New combined organization

Strategic Positioning

- ✦ **Reinforce Operational Excellence**
 - Customer relationship
 - Active pricing strategy
 - Cost optimization
- ✦ **Develop Digital Security**
 - Next-gen mobile solutions
 - Contactless opportunities
 - Network security growth
 - e-Identity growth
 - Software & services
- ✦ **Seize Strategic Opportunities**
 - Partnership & alliances
 - Incubators
 - Bolt-on acquisition opportunities

Leadership

- ✦ >10% EBIT in 2009
- ✦ €85m net synergy
- ✦ Realize growth in digital security

Leverage our position and expertise for growth and profitability

Consolidate our base of operation

Creation of Gemalto, June 2006

Year 1

June 2007

Year 2

Year 3



- ✦ World leader in digital security
- ✦ Markets in strong development
- ✦ Strengthened management team
 - ✦ Unique technology portfolio
 - ✦ Blue chip customers
- ✦ Mid cap with large free float and robust financials