

Gemalto reports first quarter 2008 revenue

- Revenue up by 12% at € 388 million
- Growth in the three main business segments
- New contracts in digital security services and solutions

All revenue and average selling price variations in this press release are by reference to 2007 first quarter and are stated at constant exchange rates unless otherwise mentioned. For comparisons at historical rates, refer to Appendix 3. All figures presented in this press release are unaudited.

Amsterdam, April 24, 2008 - Gemalto (Euronext NL0000400653 - GTO), the world leader in digital security today announced its revenue for the first quarter of 2008:

	Q1 2008 € in millions	Year-on-year change at constant exchange rates
Mobile Communication	223	+22%
Secure Transactions	101	+5%
Security	47	+14%
Public Telephony	8	(14%)
Point-of-Sale Terminals	8	(46%)
Total revenue	388	+12%

Olivier Piou, Chief Executive Officer, commented: "This strong first quarter gives us a good start for 2008. We are benefiting from better market conditions. Our three main business segments are performing well and new contract wins for digital security solutions illustrate the success of our strategy. We remain determined to achieve solid growth and profitability improvements in 2008"

First quarter 2008 revenue analysis

Total revenue for the first quarter of 2008 was € 388 million, up by 12% compared to the same period of 2007 supported by growth in all three main business segments.

Segment information

All variations are reported at constant exchange rates unless otherwise stated.

Mobile Communication

	Q1 2008 € in millions	Year-on-year change at constant exchange rates
Mobile Communication	223.4	+22%

Mobile Communication reported particularly strong growth in the first quarter on 2008. A number of migration projects to high-end SIM cards capable of more advanced applications and services were rolled out. In addition software and service activity more than doubled when compared with the same period of last year.

Average selling price increased by 2% when compared with the first quarter of 2007, as product mix improved in all regions. When compared to the fourth quarter of 2007, average selling price was lower by 9% reflecting the traditional shift in regional mix between the last and first quarter of every calendar year.

Gemalto continues to be involved in many NFC (Near Field Communication) trial programs with mobile operators such as Orange in France and Softbank in Japan. In February, Taiwan Mobile announced that it had selected Gemalto to provide the world's first commercial NFC SIM-based mobile contactless system. This comprehensive digital security solution will enable Taiwan Mobile to register, issue, manage and terminate mobile NFC services over-the-air (OTA).

In Europe, Gemalto was selected by Dutch mobile operator KPN to provide managed services in support of the launch of a European MVNO. This turnkey solution simplifies handset management, enhances operator branding and makes value-added services immediately available to subscribers.

Secure Transactions

	Q1 2008 € in millions	Year-on-year change at constant exchange rates
Secure Transactions	100.9	+5%

This quarter confirms the return to growth of the Secure Transactions segment that had been impacted by a restructuring program during the second half of 2007.

Growth in 2008 first quarter was driven by continued EMV (Europay MasterCard Visa) standard expansion with various countries moving forward in Asia, Central Europe and the Middle East as well as Latin America. Moreover, dual-interface EMV cards (contact and contactless) continue to gain market penetration, particularly in Europe and Asia. The good performance in our Payment activity, up by 12% from Q1 2007, more than compensated for lower Pay-TV and Transport revenue. The increase in revenue also resulted from a growing contribution in personalization services, up 29% from a year ago.

The success of Gemalto's innovative offerings was highlighted this quarter with a contract signed by a leading Latin American financial institution for its Instant Issuance solution. It allows secure and rapid personalization and issue of new payment cards on-site, significantly improving consumer satisfaction.

Security

	Q1 2008 € in millions	Year-on-year change at constant exchange rates
Security	47.3	+14%

The investments made in this segment continue to deliver growth, with the top line expanding by 14% compared to the first quarter of 2007. Excluding patent revenue, which declined as anticipated, the segment's revenue grew by 26%.

Government Programs was up by 30% when compared to the prior year's performance. Deliveries of e-Passports were strong and the ramp-up of e-ID card shipments in Portugal partially offset a slowdown in Belgium. Recent contract wins include the e-passport program of Côte d'Ivoire, while rollout of e-healthcare and social security programs in Algeria and Azerbaijan are now underway.

Identity & Access Management (IAM) was up by 19% when compared to the first quarter of 2007 on the back of strong deployments of e-banking authentication solutions especially in Europe.

At the recent RSA Conference in San Francisco Gemalto showcased a number of its IAM offers, including the Device Administration Service (DAS) managed service solution. This Software-as-a-Service (SaaS) solution is developed and hosted by Gemalto and provides enterprise customers with a comprehensive online service for device issuance and administration without having them incur capital costs associated to the purchase of servers and system software.

Public Telephony

	Q1 2008 € in millions	Year-on-year change at constant exchange rates
Public Telephony	8.3	(14%)

The memory card market for Public Telephony continues to decline as mobile telephony expands worldwide.

Point-of-Sale Terminals

	Q1 2008 € in millions	Year-on-year change at constant exchange rates
Point-of-Sale Terminals	7.6	(46%)

In the first quarter, significant shipments were delayed due to a faulty component detected in the contract-manufacturer's supply chain. The issue has been solved and deliveries have resumed.

Outlook

Our 2009 objective of 10% adjusted operating margin remains unchanged.

In 2008 we will benefit from the robust market demand we currently experience in our main segments. Our leadership position is generating commercial and operational advantages and we are encouraged by the progress in our performance. We currently see no evidence of the global financial turmoil impacting our activities, aside from the evolution in the average exchange rates between the Euro and other currencies. Growth and increased profitability will be driven, besides higher synergies, by the return to growth in Mobile Communications, the return to profit in Secure Transactions, and the ramp up of our recent contract wins in Security.

The successful completion of our 2006-2009 plan will create a strong foundation for our next phase of development.

Reporting calendar

Second quarter 2008 revenue and first half earnings will be reported on August 21, 2008, prior to the opening of Euronext Paris.

Conference call

The Company has scheduled a conference call for today at 3:00 pm Paris time (2:00 pm London time and 9:00 am New York time). Callers may participate in the live conference call by dialing:

+44 207 806 1967 or +1 718 354 1388 or +33 1 70 99 43 01.

The slide show will be posted on the Company's web site at noon Paris time (11:00 am London time and 6:00 am New York time).

Replays of the conference call will be available approximately 3 hours after the conclusion of the conference call until April 30th, 2008 midnight Paris time by dialing:

+44 207 806 1970 or +1 718 354 11 12 or +33 1 71 23 02 48 access code: 4006190#.

Investor Relations

Vincent BIRAUD

M.: +33 (0) 6 08 48 33 23

vincent.biraud@gemalto.com

Emlyn Korengold

TBWA Corporate

T. : +33 (0) 6 08 21 93 74

emlyn.korengold@tbwa-corporate.com

Corporate Communication

Rémi CALVET

M.: +33 (0) 6 22 72 81 58

remi.calvet@gemalto.com

About Gemalto

Gemalto (Euronext NL 0000400653 GTO) is the leader in digital security with 2007 annual revenues of €1.6 billion, offices in more than 85 countries and about 10,000 employees including 1,300 R&D engineers.

In a world where the digital revolution is increasingly transforming our lives, Gemalto's solutions are designed to make personal digital interactions more convenient, secure and enjoyable.

Gemalto provides end-to-end digital security solutions, from the development of software applications through design and production of secure personal devices such as smart cards, SIMs, e-passports, and tokens to the deployment of managed services for its customers.

More than one billion people worldwide use the company's products and services for telecommunications, financial services, e-government, identity management, multimedia content, digital rights management, IT security, mass transit and many other applications.

As the use of Gemalto's software and secure devices increases with the number of people interacting in the digital and wireless world, the company is poised to thrive over the coming years.

Gemalto was formed in June 2006 by the combination of Axalto and Gemplus.

For more information please visit www.gemalto.com

This communication does not constitute an offer to purchase or exchange or the solicitation of an offer to sell or exchange any securities of Gemalto.

This communication contains certain statements that are neither reported financial results nor other historical information and other statements concerning Gemalto. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, events, products and services and future performance. Forward-looking statements are generally identified by the words "expects", "anticipates", "believes", "intends", "estimates" and similar expressions. These and other information and statements contained in this communication constitute forward-looking statements for purposes of applicable securities laws. Although management of the company believes that the expectations reflected in the forward-looking statements are reasonable, investors and security holders are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of the companies, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements, and the companies cannot guarantee future results, levels of activity, performance or achievements. Factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this communication include, but are not limited to: the ability of the company's to integrate according to expectations; the ability of the company to achieve the expected synergies from the combination; trends in wireless communication and mobile commerce markets; the company's ability to develop new technology and the effects of competing technologies developed and expected intense competition generally in the companies' main markets; profitability of expansion strategy; challenges to or loss of intellectual property rights; ability to establish and maintain strategic relationships in their major businesses; ability to develop and take advantage of new software and services; the effect of the combination and any future acquisitions and investments on the companies' share prices; and changes in global, political, economic, business, competitive, market and regulatory forces. Moreover, neither the companies nor any other person assumes responsibility for the accuracy and completeness of such forward-looking statements. The forward-looking statements contained in this communication speak only as of the date of this communication and the companies are under no duty, and do not undertake, to update any of the forward-looking statements after this date to conform such statements to actual results, to reflect the occurrence of anticipated results or otherwise except as otherwise required by applicable law or regulations.

Appendix 1

Deliveries of secure personal devices (microprocessor-based)

In millions of units	Q1 2007	Q1 2008	% growth
Mobile Communication	215	254	+18%
Secure Transactions	53	69	+30%
Security	6	9	+47%
Total	275	332	+21%

Appendix 2

First quarter 2008 revenue by region

	Q1 2008 € in millions	Year-on-year change at constant exchange rates
Europe, Middle East & Africa	214.4	+6%
North & South America	87.8	+25%
Asia	85.4	+18%
Total revenue	387.6	+12%

Appendix 3

First quarter revenue by business segment at historical rates

€ in millions	Q1 2007	Q1 2008	% change at historical exchange rates	% change at constant exchange rates
Mobile Communication	194.0	223.4	+15%	+22%
Secure Transactions	100.3	100.9	+1%	+5%
Security	42.6	47.3	+11%	+14%
Public Telephony	10.3	8.3	(19%)	(14%)
Point-of-Sale Terminals	14.8	7.6	(49%)	(46%)
Total revenue	362.1	387.6	+7%	+12%

Appendix 4

Average exchange rates between the Euro and the US dollar

	EUR/USD
First quarter 2007	1.31
First quarter 2008	1.48