

Gemalto reports first quarter 2009 revenue

- Revenue at € 367 million, in line with expected return to usual seasonality pattern
- Strong growth in Security
- Stable Secure Transactions revenue
- Lower Mobile Communication turnover on a high comparison basis
- Very active quarter, with numerous commercial wins in all segments

All variations in this press release are stated at constant exchange rates, unless otherwise noted, and are comparing the first quarter 2009 revenue to the first quarter 2008 revenue. Comparisons at historical rates are presented in Appendix 2. All figures presented in this press release are unaudited.

Amsterdam, April 30, 2009 - Gemalto (Euronext NL0000400653 - GTO), the world leader in digital security today announced its revenue for the first quarter of 2009.

First quarter 2009 revenue and year-on-year revenue variation, by segment:

	Mobile Communication	Secure Transactions	Security	Total three main segments	Others ¹	Total Gemalto Q1 2009	Total Gemalto Q1 2008
First quarter	192 M€	100 M€	60 M€	351 M€	16 M€	367 M€	388 M€
Variation at constant exchange rates	(19%)	+ 1%	+ 26%	(8%)	0%	(8%)	

At historical exchange rates, Gemalto 2009 first quarter total revenue is down 5%.

Olivier Piou, Chief Executive Officer, commented: "Revenue for this quarter, though lower than Q1 2008, was in line with our expectation of a return to the traditional seasonality pattern. Strong progress continues to be made in securing new contracts for mobile services and contactless payment devices. Government Programs benefits from both a solid backlog and increasing momentum in national e-ID programs. We are pleased with our success in leveraging our operational efficiencies."

¹ Public Telephony plus Point-of-Sale Terminals, together accounting for less than 5% of total first quarter revenue.

First quarter 2009

Total revenue for the Q1 2009 was € 367 million, lower than Q1 2008 by 8% at constant exchange rates and by 5% at historical exchange rates. Compared to a particularly strong first quarter last year Mobile Communication reported lower revenue, while Secure Transactions turnover was essentially unchanged. Government Programs continued to expand rapidly, with new national e-ID programs on the rise. Revenue from software and services increased from 8% of total revenue in Q1 2008 to 10% in Q1 2009. Net cash position further strengthened during this quarter.

Segment information

Mobile Communication

€ in millions	Q1 2008	Q1 2009
Mobile Communication	223	192
Year-on-year variation at constant exchange rates		(19%)

At historical exchange rates, Q1 2009 revenue is lower by 14%.

At € 192 million first quarter 2009 Mobile Communication revenue was lower than the very strong first quarter of 2008 by 19% at constant exchange rates and by 14% at historical exchange rates, in line with seasonality expectations for 2009.

The average SIM card selling price was lower by 17% year-on-year at constant exchange rates, again compared with a strong performance in the prior year. This reflects large shipments of entry-range products in South Asia and lower activity in the high end North Asia markets. Sequentially, i.e. compared to the fourth quarter of 2008, SIM card average selling price declined by 6%.

Software and services revenue increased by 16% year-on-year, with excellent performance in Asia and the Americas. Gemalto is gaining momentum in securing new contracts for operated services with mobile operators: by the end of Q1 it had already surpassed the number of contracts signed during the full year 2008. The wide range of new applications and service contracts secured during this quarter included among others launching the SIMessenger solution for Personal Argentina, as well as the mobile TV monitoring solution for Médiamétrie in France. Gemalto also continues to strengthen its service offerings through collaborations with partners. These included India-based mCheck for mobile payment, and Option of Belgium for the remote device management of Internet modems deployed to provide 3G data access.

Secure Transactions

€ in millions	Q1 2008	Q1 2009
Secure Transactions	101	100
Year-on-year variation at constant exchange rates		+ 1%

At historical exchange rates, Q1 2009 revenue is lower by 1%.

At € 100 million first quarter 2009 Secure Transactions revenue was essentially unchanged from last year. Compared to Q1 2008, it is down 1% at historical exchange rates and up 1% at constant rates.

Growth continues to be supported by deployment of dual-interface contactless EMV cards particularly in Europe and the Americas, and by further improvements in the level of personalization services, while inventory optimization was observed at some payment card customers. Lower Pay-TV shipments were partially offset by a stronger activity in Transport.

Gemalto announced several new commercial successes during the quarter, securing a number of new EMV migration opportunities, including an alliance with Corporación Cardtech to address the Venezuelan market, as well as Royal Bank of Scotland's EMV launch in Indonesia, India and Taiwan. Numerous new programs were also announced in partnership with our customers, including an innovative contactless EMV student identity and payment card for Banco Santander in Spain.

Security

€ in millions	Q1 2008	Q1 2009
Security	47	60
Year-on-year variation at constant exchange rates		+ 26%

At historical exchange rates, Q1 2009 revenue is increasing by 27%.

In the first quarter of 2009 Security again posted a strong growth, with revenue up by 26% at constant exchange rates and 27% at historical rates.

Government Programs revenue expanded by 32% on the back of strong activities in the Americas. Steady delivery of electronic passport contracts was complemented by the growing number of national e-ID programs now underway. Identity and Access Management (IAM) revenue was down 2%, with continued success in online banking solutions offset by inventory optimization by the indirect distribution channels delivering enterprise solutions. As expected, patent activity was also higher than in 2008.

New commercial wins during the quarter – including further successes in Belgium, Bahrain and Saudi Arabia - highlight the growing importance of national e-ID programs alongside the existing e-passport deployments. In IAM, the selection by Vietnam's largest bank Vietcombank builds on the success of Gemalto's increasingly recognized online banking solutions, and illustrates the Company's ability to leverage its expertise in strong two-factor authentication combined with EMV CAP (Chip Authentication Programs) services.

Others

The Public Telephony and POS Terminals segments, representing together less than 5% of the Company's total revenue, are now reported on a combined basis.

€ in millions	Q1 2008	Q1 2009
Others	16	16
Year-on-year variation at constant exchange rates		0%

At historical exchange rates, Public Telephony and POS Terminals combined Q1 2009 revenue is flat.

Public Telephony revenue continued to decline as mobile telephony expands, and POS Terminals grew on strong sales in Europe and the Middle East.

Outlook

Our business has strong fundamentals and prospects. The current economic environment does not put into question the mid and long-term objectives of Gemalto, even if it limits short-term visibility. We will 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.

Conference call

Gemalto will hold an analysts and investors conference call in English 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 dialling:

+44 207 107 1613 or +1 866 907 5928 or +33 1 72 00 09 86.

The presentation slide show will be available for download on our Investor Relations web site (www.gemalto.com/investors) at 1:00 pm Paris time (12:00 am London time, 7:00 am New York time).

Replays of the conference call will be available from approximately 3 hours after the conclusion of the conference call until May 14th midnight Paris time by dialling:

+33 1 72 00 14 69

access code: 248652 #.

Reporting calendar

2009 second quarter revenue and first half earnings will be reported on August 25, 2009, before the opening of Euronext Paris.

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About Gemalto

Gemalto (Euronext NL 0000400653 GTO) is the world leader in digital security with 2008 annual revenues of €1.68 billion, and 10,000 employees operating out of 75 offices, research and service centers in 40 countries.

Gemalto is at the heart of our evolving digital society. The freedom to communicate, travel, shop, bank, entertain, and work—anytime, anywhere—has become an integral part of what people want and expect, in ways that are convenient, enjoyable and secure.

Gemalto delivers on the growing demands of billions of people worldwide for mobile connectivity, identity and data protection, credit card safety, health and transportation services, e-government and national security. We do this by supplying to governments, wireless operators, banks and enterprises a wide range of secure personal devices, such as subscriber identification modules (SIM) in mobile phones, smart banking cards, electronic passports, and USB tokens for online identity protection. To complete the solution we also provide software, systems and services to help our customers achieve their goals.

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.

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 company, 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 company 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 its 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 company's share prices; and changes in global, political, economic, business, competitive, market and regulatory forces. Moreover, neither the company 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 company 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 (unaudited)

In millions of units	First quarter 2008	First quarter 2009	% growth
SIM cards	254	247	(3%)
Secure Transactions	69	69	0%
Security	9	13	+ 44%
Total	332	329	(1%)

Appendix 2

First quarter revenue by region at historical rates (unaudited)

€ in millions	First quarter 2008	First quarter 2009	Year-on-year variation at historical exchange rates	Year-on-year variation at constant exchange rates
EMEA	214	192	(11%)	(10%)
North & South America	88	101	+ 15%	+ 12%
Asia	85	74	(13%)	(22%)
Total revenue	388	367	(5%)	(8%)

First quarter revenue by business segment at historical rates (unaudited)

€ in millions	First quarter 2008	First quarter 2009	Year-on-year variation at historical exchange rates	Year-on-year variation at constant exchange rates
Mobile Communication	223	192	(14%)	(19%)
Secure Transactions	101	100	(1%)	+ 1%
Security	47	60	+27%	+26%
Others	16	16	0%	0%
Total revenue	388	367	(5%)	(8%)

Appendix 3

Average exchange rates between the Euro and the US dollar

EUR/USD	2008	2009
First quarter	1.48	1.33
Second quarter	1.56	
First half	1.52	
Third quarter	1.54	
Fourth quarter	1.35	
Second half	1.44	
Full year	1.48	