



UNDER EMBARGO!! To be released on 7th November 2006

More than 3 billion cards shipped in 2006 – 3.7 billion forecasted in 2007

3.2 billions Cards have been shipped in 2006, and 3.7 billions are expected for 2007. In 2006, the activity of the smart card industry has increased by 27% and should continue its growth at a 20% rate in 2007.

Eurosmart's figures are a reference for the smart card industry and financial markets, giving an overall picture of the markets and future trends.

For the first time this year, our figures include Chinese National ID and Transport figures to give a more comprehensive coverage of the worldwide market. Efforts were made to communicate on the Chinese market thanks to cooperation with Smartcard Forum China.

Eurosmart figures - Cards (Millions of Units- Mu)

	2006 Global forecast October 2006			Forecast 2007		
	Memory	Microprocessor		Memory	Microprocessor	
Telecom	510	1800	29%	440	2150	19%
Financial services- Retail- Loyalty	30	400	19%	30	480	20%
Government- Healthcare	180¹	90	50%	275³	140	55%
Transport	140²	25	-	100	30	20%
Pay TV	-	60	-	-	60	-
Corporate Security	10	15	-	10	20	-
Others	10	15	-	10	15	-
Total	880	2405	27%	865	2895	20%
TOTAL	3285			3760		

¹ Including 150 Mu for Chinese ID Card

² Including 60 Mu for Public Transport in China

³ Including 250 Mu forecasted for the Chinese ID Card

Trends per market segments

Telecom SIM Cards

- 2006 is another year of strong growth: + 29% in volume compared to 2005.

- The growth is driven almost by all regions and emerging countries such as India in Asia, Middle East and Colombia in South America.
- In more mature countries, the high end SIM developed new services around management of services; M-TV is expected to take off next year after few initiatives in 2006.
- The Chinese market is growing again after a stable year in 2005.
- Despite a slow down of growth, more than 2.1 billion SIMs should be shipped in 2007.

Financial services

- The banking sector is steadily growing (+19% vs. 2005) and will probably be more dynamic than ever with the arrival of contactless, innovative services and DDA migration.
- In particular, contactless payment continues to grow significantly in the U.S (more than 20 Millions should be deployed by the end of 2007).
- In 2007, EMV roll-out will continue mainly in Asia. Renewal in Europe and Middle East will also continue to generate strong volumes.

Government and Healthcare

- This sector is taking off: + 50% in volume versus 2005 and prospects are very good with the implementation of many identity or healthcare projects worldwide.
- 2006 was the year of electronic Passports' take off: ePassports are effectively deployed in around 40 countries and this trend will continue in 2007 to reach 40 to 50 Millions worldwide.
- The first National ID Cards appeared in Belgium, Sweden, Finland, Italy.
- For the first time, our figures include the Chinese National ID Card project: 150 Millions ID Cards will be shipped in 2006 for China and 250 Millions are forecasted in 2007.
- The second generation of Healthcare Cards will be deployed in France and Germany in 2007.
- Japan has decided to go for eDriving License.

Transport

- Major cities in the world introduced smart card in public transport: Mexico, New York, Seoul, adding to other major cities like Paris, London that already adopted this innovative solution.

EUROSMART is an international association located in Brussels representing the Voice of the Smart Card industry for multi-sector applications. It aims at developing standards and improving quality and security application.

EUROSMART gathers 24 members: Atmel, Austria Card, Datacard, FNMT, Galitt, Gemalto, GIE Cartes Bancaires, Giesecke & Devrient, Infineon Technologies, Ingenico, Inside Contactless, MasterCard, NedCard, NXP Semiconductors, Oberthur Card Systems, Renesas, Sagem Orga, Samsung Semiconductors, Saqqarah International, Sharp, SST, STMicroelectronics, Watchdata, Wave.

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