Gemalto N.V.
Minutes of the Annual General Meeting of Shareholders
held on May 24, 2012

(This is not a verbatim account of the proceedings)

1. Opening
Mr. Alex Mandl, chairman (“Chairman”) of the Board of Gemalto N.V. (“Company”), speaking on behalf of the Board, opens the Annual General Meeting of Shareholders of the Company (“AGM”), at the Sheraton Amsterdam Airport Hotel & Conference Center, Schiphol Boulevard 101, 1118 BG, Schiphol Airport, the Netherlands at 10:00 a.m. CET on Thursday, May 24, 2012 and welcomes all present at the meeting. The Chairman introduces to the meeting each Board member attending, as well as the two persons proposed for appointment as Non-executive Board members.

The Chairman introduces Mr. Jacques Tierny, Chief Financial Officer (“CFO”) and Mr. Jean-Pierre Charlet, General Counsel and Company Secretary. Mr. Charlet acts as the secretary of the meeting (“Secretary”).

The Chairman also welcomes the Company’s Dutch legal advisor, Ms. Herke van Hulst of the law firm Clifford Chance LLP, as well as the Company’s external auditor, Mr. Fernand Izeboud of the accountants firm PricewaterhouseCoopers Accountants N.V.

On the request of the Chairman, Mr. Charlet makes the following announcements.

The proceedings of the meeting are recorded, only for internal purposes and use, to facilitate the preparation of the minutes. The language of the meeting is English.

The meeting has been convened with due observance of all legal and statutory provisions. The notice to attend the meeting, including the agenda, has been published in ‘Het Financieele Dagblad’ and ‘Les Echos’ on April 10, 2012.

The agenda, including the explanatory notes, the 2011 Annual Report, including the 2011 Financial Statements, as well as information on the persons proposed for appointment to the Board, are available at the meeting. These documents have been made available for inspection at the offices of the Company in Amsterdam and at the offices of Gemalto International SAS in Meudon, France and have been published on Gemalto’s website as of April 10, 2012.

No shareholders have requested to place items on the agenda.

Except for the proposed resolutions in agenda item 6, the resolutions placed on the agenda and set out in the explanatory notes to the agenda, shall be adopted by an absolute majority of the votes cast in a General Meeting where at least one-tenth of the issued share capital is present or represented. The proposed resolutions in agenda item 6 relating to the appointment of Board members shall be adopted by an absolute majority of the votes cast in a General Meeting, without a quorum being required, as these appointments are proposed by the Board.
On April 26, 2012, which is the Record Date, the total issued share capital of the Company amounted to €88,015,844, consisting of 88,015,844 shares of €1.00 each. Each share entitles the holder thereof to cast one vote. However, treasury shares do not carry voting rights. As per close of business on the Record Date, the Company held 4,667,674 treasury shares. Consequently, the number of voting rights amounted to 83,348,170. According to the attendance list, the holders of 56,623,200 shares are present or represented at the meeting, who may cast the same number of votes, which is 67.94% of the issued share capital less the shares that the Company owns in its own share capital. Therefore valid resolutions can be taken with regard to all items on the agenda.

The Chairman proposes that voting during the meeting shall be by acclamation per item, provided that persons entitled to vote are free to explicitly cast their votes against a proposal or to abstain from voting during the meeting. There are no objections against this decision from the meeting.

During the meeting, the Company’s external auditor, Mr. Fernand Izeboud of the accountants firm PricewaterhouseCoopers Accountants N.V., may be questioned on his auditor's report and his audit activities regarding the Company's 2011 Financial Statements. However, the content of the financial statements remains the responsibility of the Board.

The Chairman concludes this item of the agenda.

2. **2011 Annual Report (Discussion item)**

The Chairman proceeds with the next item on the agenda: the Annual Report for the 2011 financial year, as drawn up by the Board.

Mr. Tierny, CFO presents to the meeting a summary of the most important developments in the 2011 financial year, as presented in the Annual Report, and the current state of affairs, which presentation is attached hereto.

The Chairman gives the shareholders the opportunity to ask questions. Since none of the shareholders wishes to ask questions, the Chairman concludes this item of the agenda.

3. **Adoption of the 2011 Financial Statements (Voting item)**

The Chairman proceeds with the next item on the agenda: the adoption of the 2011 Financial Statements.

The Chairman gives the shareholders the opportunity to ask questions. Since none of the shareholders wishes to ask questions, the Chairman proposes to the meeting to adopt the Company's 2011 Financial Statements, as drawn up by the Board.

The Chairman asks whether there are any votes against the proposal or any abstentions. TMF Netherlands B.V. (“TMF”), on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 56,616,788 shares have voted in favor of the resolution, 0 shares have voted against and 6,412 shares have abstained from voting. The votes in favor represent 100%.

The Chairman records that the proposal is passed with the required majority.

The Chairman concludes this item of the agenda.
4a.  **Dividend policy (Discussion item)**

The Chairman proceeds with the next item on the agenda: the dividend policy.

The Company’s current policy on additions to reserves and distributions of dividends is that the amount of dividends to be paid by the Company to its shareholders shall be determined by taking into consideration the Company’s capital requirements, return on capital, current and future rates of return and market practices, notably in its business sector, as regards the distribution of dividends.

The Chairman gives the shareholders the opportunity to ask questions. Since none of the shareholders wishes to ask questions, the Chairman concludes this item of the agenda.

4b.  **Distribution of a dividend in cash of €0.31 per share for the 2011 financial year (Voting item)**

The Chairman proceeds with the next item on the agenda: the distribution of a dividend in cash of €0.31 per share for the 2011 financial year.

The Chairman gives the shareholders the opportunity to ask questions. Since none of the shareholders wishes to ask questions, the Chairman proposes to the meeting to distribute a dividend in cash of €0.31 per share for the 2011 financial year.

The Chairman asks whether there are any votes against the proposal or any abstentions. TMF, on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 56,616,788 shares have voted in favor of the resolution, 0 shares have voted against and 6,412 shares have abstained from voting. The votes in favor represent 100%. The Chairman records that the proposal is passed with the required majority.

The Chairman concludes this item of the agenda.

5a.  **Discharge of the Chief Executive Officer for the fulfillment of his duties during the 2011 financial year (Voting item)**

The Chairman proceeds with the next item on the agenda: the discharge of the Chief Executive Officer from liability for the fulfillment of his duties during the financial year 2011.

The Chairman gives the shareholders the opportunity to ask questions. Since none of the shareholders wishes to ask questions, the Chairman proposes to the meeting to discharge the Chief Executive Officer from liability for the fulfillment of his duties during the 2011 financial year.

The Chairman asks whether there are any votes against the proposal or any abstentions. TMF, on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 53,868,568 shares have voted in favor of the resolution, 2,747,970 shares have voted against and 6,662 shares have abstained from voting. The votes in favor represent 95.15%. The Chairman records that the proposal is passed with the required majority.

The Chairman concludes this item of the agenda.
5b. Discharge of the Non-executive Board members for the fulfillment of their duties during the 2011 financial year (*Voting item*)

The Chairman proceeds with the next item on the agenda: the discharge of the Non-executive Board members from liability for the fulfillment of their respective duties during the financial year 2011.

The Chairman gives the shareholders the opportunity to ask questions. Since none of the shareholders wishes to ask questions, the Chairman proposes to the meeting to discharge the Non-executive Board members from liability for the fulfillment of their respective duties during the 2011 financial year.

The Chairman asks whether there are any votes against the proposal or any abstentions. TMF, on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 53,884,252 shares have voted in favor of the resolution, 2,732,286 shares have voted against and 6,662 shares have abstained from voting. The votes in favor represent 95.17%. The Chairman records that the proposal is passed with the required majority.

The Chairman concludes this item of the agenda.

6a. Reappointment of Mr. Olivier Piou as Executive Board member until the close of the 2016 AGM (*Voting item*)

The Chairman proceeds with the next item on the agenda: the reappointment of Mr. Olivier Piou as Executive Board member until the close of the 2016 AGM.

The Chairman gives the shareholders the opportunity to ask questions. Since none of the shareholders wishes to ask questions, the Chairman proposes to the meeting to reappoint Mr. Olivier Piou as Executive Board member as of May 24, 2012, for a period ending at the close of the AGM to be held in 2016.

The Chairman asks whether there are any votes against the proposal or any abstentions. TMF, on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 56,292,007 shares have voted in favor of the resolution, 278,829 shares have voted against and 52,364 shares have abstained from voting. The votes in favor represent 99.51%. The Chairman records that the proposal is passed with the required majority.

The Chairman concludes this item of the meeting.

6b. Reappointment of Mr. Johannes Fritz as Non-executive Board member until the close of the 2016 AGM (*Voting item*)

The Chairman proceeds with the next item on the agenda: the reappointment of Mr. Johannes Fritz as Non-executive Board member until the close of the 2016 AGM.

The Chairman gives the shareholders the opportunity to ask questions. Since none of the shareholders wishes to ask questions, the Chairman proposes to the meeting to reappoint Mr. Johannes Fritz as Non-executive Board member as of May 24, 2012, for a period ending at the close of the AGM to be held in 2016.
The Chairman asks whether there are any votes against the proposal or any abstentions. TMF, on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 55,312,686 shares have voted in favor of the resolution, 1,258,150 shares have voted against and 52,364 shares have abstained from voting. The votes in favor represent 97.78%. The Chairman records that the proposal is passed with the required majority.

The Chairman concludes this item of the meeting.

6c. **Reappointment of Mr. Arthur van der Poel as Non-executive Board member until the close of the 2016 AGM (Voting item)**

The Chairman proceeds with the next item on the agenda: the reappointment of Mr. Arthur van der Poel as Non-executive Board member until the close of the 2016 AGM.

The Chairman gives the shareholders the opportunity to ask questions. Since none of the shareholders wishes to ask questions, the Chairman proposes to the meeting to reappoint Mr. Arthur van der Poel as Non-executive Board member as of May 24, 2012, for a period ending at the close of the AGM to be held in 2016.

The Chairman asks whether there are any votes against the proposal or any abstentions. TMF, on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 56,352,430 shares have voted in favor of the resolution, 218,406 shares have voted against and 52,364 shares have abstained from voting. The votes in favor represent 99.61%. The Chairman records that the proposal is passed with the required majority.

The Chairman concludes this item of the meeting.

6d. **Appointment of Ms. Yen Yen Tan as Non-executive Board member until the close of the 2016 AGM (Voting item)**

The Chairman proceeds with the next item on the agenda: the appointment of Ms. Yen Yen Tan as Non-executive Board member until the close of the 2016 AGM.

In accordance with the decision of the 2008 AGM and the staggered reappointment schedule adopted by the Board, the Board mandate of Mr. Geoffrey D. Fink will expire at the close of this AGM. Mr. Fink informed the Board that in light of other obligations he will not present himself for reappointment to the Board. In view hereof there is one vacancy to be filled on the Board.

On behalf of the Board, the Chairman thanks Mr. Fink for his valuable contribution to the Board and to Gemalto during his Board mandate.

The Chairman gives the shareholders the opportunity to ask questions. Since none of the shareholders wishes to ask questions, the Chairman proposes to the meeting to appoint Ms. Yen Yen Tan as Non-executive Board member as of May 24, 2012, for a period ending at the close of the AGM to be held in 2016.

The Chairman asks whether there are any votes against the proposal or any abstentions. TMF, on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 56,352,430 shares have voted in favor of the resolution, 218,406 shares have voted against and 52,364 shares
have abstained from voting. The votes in favor represent 99.61%. The Chairman records that the proposal is passed with the required majority.

The Chairman concludes this item of the meeting.

6e. **Appointment of Ms. Drina Yue as Non-executive Board member until the close of the 2016 AGM (Voting item)**

The Chairman proceeds with the next item on the agenda: the appointment of Ms. Drina Yue as Non-executive Board member until the close of the 2016 AGM.

As authorized by the 2007 AGM, the Board has decided on March 6, 2012 to increase the number of Board members from ten to eleven. As a result thereof, there is one vacancy to be filled on the Board.

The Chairman gives the shareholders the opportunity to ask questions. Since none of the shareholders wishes to ask questions, the Chairman proposes to the meeting to appoint Ms. Drina Yue as Non-executive Board member as of May 24, 2012, for a period ending at the close of the AGM to be held in 2016.

The Chairman asks whether there are any votes against the proposal or any abstentions. TMF, on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 56,352,430 shares have voted in favor of the resolution, 218,406 shares have voted against and 52,364 shares have abstained from voting. The votes in favor represent 99.61%. The Chairman records that the proposal is passed with the required majority.

The Chairman concludes this item of the meeting.

7. **Renewal of the authorization of the Board to repurchase shares in the share capital of the Company (Voting item)**

The Chairman proceeds with the next item on the agenda: the renewal of the authorization of the Board to repurchase shares in the share capital of the Company.

The Chairman gives the shareholders the opportunity to ask questions. Since none of the shareholders wishes to ask questions, the Chairman proposes to the meeting to irrevocably authorize the Board as from May 24, 2012 to cause the Company to acquire, whether as an on or off financial market purchase, shares in the share capital of the Company up to the maximum percentage of shares that the Company – by virtue of its Articles of Association – may acquire in its own share capital at any moment for a period of eighteen months up to and including November 23, 2013, on such dates and in such portions as the Board may deem appropriate and in consideration of a purchase price per share which shall not be less than the par value of the shares to be repurchased and not be more than 110% of the average closing share price per share in the Company on Euronext during the five business days preceding the date on which the shares concerned are acquired by or on behalf of the Company.

The Chairman asks whether there are any votes against the proposal or any abstentions. TMF, on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 55,149,491 shares have voted in favor of the resolution, 1,444,151 shares have voted against and 29,558
shares have abstained from voting. The votes in favor represent 97.45%. The Chairman records that the proposal is passed with the required majority.

The Chairman concludes this item of the agenda.

8. Reappointment of PricewaterhouseCoopers Accountants N.V. as external auditor for the 2012 financial year (Voting item)

The Chairman proceeds with the next item on the agenda: the reappointment of PricewaterhouseCoopers Accountants N.V. as external auditor for the 2012 financial year.

The Chairman gives the shareholders the opportunity to ask questions. Since none of the shareholders wishes to ask questions, the Chairman proposes to the meeting to reappoint PricewaterhouseCoopers Accountants N.V. as the Company's external auditor for the 2012 financial year.

The Chairman asks whether there are any votes against the proposal or any abstentions. TMF, on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 56,531,495 shares have voted in favor of the resolution, 85,293 shares have voted against and 6,412 shares have abstained from voting. The votes in favor represent 99.85%. The Chairman records that the proposal is passed with the required majority.

The Chairman concludes this item of the agenda.

9. Questions

The Chairman proceeds with the last item on the agenda and gives the shareholders the opportunity to ask questions with respect to items that have not previously been discussed.

The following question comes from a shareholder: Mr. Piou and Mr. Tierny, you have accumulated quite a lot of shares of Gemalto and you do not seem to be selling any shares, will it stay like this?

Mr. Piou answers:
Good question. I own about 1.5 million Gemalto shares and rights for Gemalto shares in total. About 45% are shares, about 35% are options, and about 20% are restricted share units. All of this is well detailed on the AFM public web site. And you will find the various performance conditions and the other vesting conditions described in detail in our Annual Report, plan by plan. I bought some of these shares I own on the market, progressively over the years. And had to borrow funds to buy a good part of the others, in order to finance the strike price as many of these shares used to be options from our stock market introduction IPO day, many years ago, in order to hold the shares for two years since in the French tax system holding shares coming from options for at least two more years provides a more favorable tax treatment. So your question is very appropriate, you are correct, yes, I have been progressively acquiring and accumulating as you say all these shares and rights since 2004, so for over eight years. And for the future, I will have at some point to sell some of my shares to reimburse the loan I contracted to finance the options’ strike price, as it will come due somewhere in the coming twelve months, and to provide for the capital gain taxes on this sale, and for patrimonial reasons. I have already discussed this with the Governance Committee of the Board. Depending on the French tax system evolution,
which is sometimes hard to predict, I will have to sell probably about 30% of my share holding, and so will still be keeping afterwards over one million Gemalto shares and rights for Gemalto shares, hence I will still be very strongly interested in the success of the Company!

Mr. Tierny answers:
Being much more recent in the Company compared to Mr. Piou who created the Company, I joined about five years ago, I own about 220,000 Gemalto shares, rights and potential rights to acquire Gemalto shares, of which 84,000 are available that I could sell immediately. Some of them I acquired in the market. To acquire others I invested consistently every year in the employee share purchase plan, and I am happy that I did that, it is a very good return. And others come from the restricted share units. I do not plan to sell any time soon. I never sold any shares since I joined Gemalto. I am very happy to be here and very impressed by the way the team is working with the Board, and by my colleagues as well, who are very creative to find new profitable businesses. And so outside of a totally unexpected and particularly tough difficulty of some sort, I am not really willing to sell at all.

There being no further questions, the Chairman concludes this item of the agenda.

10. Adjournment
The Chairman thanks all present on behalf of the Board for their attendance and contribution to the discussion at the AGM and closes the meeting at 10.30 a.m. CET.

Chairman
Mr. Alex Mandl

Secretary
Mr. Jean-Pierre Charlet

Attachment: Presentation made by the CFO under item 2
2011 Financial Year

Jacques Tierny, CFO
Disclaimer

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: 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; future acquisitions and investments; the ability of the Company's to integrate acquired businesses, activities and companies according to expectations; the ability of the Company to achieve the expected synergies from acquisitions; 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.
Basis of preparation for 2011 publications

For a better understanding of the current and future year-on-year evolution of its business, the Company prepares an adjusted income statement where the key metric used to evaluate the business and take operating decisions is the profit from operations. This adjusted income statement is provided for all operations and “Ongoing operations”.

Adjusted income statement and Profit from operation (PFO)

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards. Profit from operations (PFO) is a non-GAAP measure defined as the IFRS operating result adjusted for the amortization and depreciation of intangibles resulting from acquisitions, for share-based compensation charges, and for restructuring and acquisition-related expenses.

In the adjusted income statement, Operating Expenses are defined as the sum of Research and Engineering, Sales and Marketing, General and Administrative expenses, and Other income (expense) net.

Ongoing operations

The adjusted income statement for “Ongoing operations” not only excludes, as per the IFRS income statement, the contribution from discontinued operation to the income statement, but also the contributions from assets classified as held for sale and from other items not related to Ongoing operations.

Basis of presentation of the segment information starting 2011

Starting January 1, 2011, the segment information accounts for the following changes:

- the patent licensing activity, previously reported as part of the segment Security, is reported separately, in a new segment “Patents”.
- the public telephony activity, which is reaching end of life as it is now almost fully substituted by mobile telephony, previously reported in the segment Others, is included in the segment Mobile Communication.

In this presentation the financial information for 2010 is presented pro-forma on the above basis of presentation.

Currency exchange rates

In this presentation, revenue variations are at constant exchange rates, and all other figures are at historical exchange rates, except where otherwise noted.

Gemalto 2011 Annual Report is available for download from our website at http://www.gemalto.com/investors/
### Key figures from FY’2011 financial results

#### Extracts from the adjusted income statement for ongoing operations

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>€ 2,000m</td>
<td>+9%</td>
</tr>
<tr>
<td>At historical rates</td>
<td></td>
<td>+7%</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>€ 747m</td>
<td>37.4%</td>
</tr>
<tr>
<td>Gross margin</td>
<td></td>
<td>+100bp</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>€ 509m</td>
<td>25.4%</td>
</tr>
<tr>
<td>Operating expenses</td>
<td></td>
<td>+30bp</td>
</tr>
<tr>
<td><strong>Profit from operations</strong></td>
<td>€ 239m</td>
<td>11.9%</td>
</tr>
<tr>
<td>PFO margin</td>
<td></td>
<td>+80bp</td>
</tr>
<tr>
<td><strong>Basic EPS</strong></td>
<td>€ 2.55</td>
<td>€ 0.31</td>
</tr>
<tr>
<td>Proposed dividend</td>
<td></td>
<td>+11%</td>
</tr>
</tbody>
</table>
**Adjusted income statement and Ongoing operations**

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>PFO</th>
<th>Ongoing operations</th>
<th>Reconciling items</th>
<th>Total Gemalto</th>
<th>Discontinued operations (POS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY’2011</td>
<td>€ 2,000m</td>
<td>€ 239m</td>
<td>€ 15m</td>
<td>€ 2,015m</td>
<td>€ 2,015m</td>
<td>€ 256m</td>
</tr>
<tr>
<td>FY’2010</td>
<td>€ 1,862m</td>
<td>€ 207m</td>
<td>€ 44m</td>
<td>€ 1,906m</td>
<td>€ 1,906m</td>
<td>€ 1m</td>
</tr>
</tbody>
</table>

**Profit from operations and IFRS operating result**

<table>
<thead>
<tr>
<th>Year</th>
<th>Profit from operations</th>
<th>Amortization of intangible assets</th>
<th>Equity based compensation charges</th>
<th>Restructuring &amp; acquisitions related expenses</th>
<th>IFRS operating result</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY’2011</td>
<td>€ 256m</td>
<td>€ 25m</td>
<td>€ 32m</td>
<td>€ 15m</td>
<td>€ 183m</td>
</tr>
<tr>
<td>FY’2010</td>
<td>€ 216m</td>
<td>€ 23m</td>
<td>€ 20m</td>
<td>€ 9m</td>
<td>€ 163m</td>
</tr>
</tbody>
</table>
Multiple performance drivers

- The four main segments produced an excellent performance

  Revenue
  € 1,991m  + 11%

  PFO
  € 239m  +28%

- Sources of profit diversify and cover worldwide markets

  PFO generated outside of Mobile Communication, (42% of total Company PFO)

  x3

  2009  €32m
  2011  €101m

  48% of revenue in fast-growing countries*

Figures presented are for ongoing operations. The main segments are comprised of Mobile Communication, Machine-to-Machine, Secure Transactions, and Security business segments, representing together close to 100% of the Company revenue in 2011. They exclude the Patents segment whose lower activity in 2011 impacted revenue by €(24) million and profit from operations by €(21) million compared to full year 2010. *“fast-growing countries” with GDP growth of 5% p.a. or greater, Source United Nations statistics, 2005-2010 CAGR.
### Segment Key Financial Information

<table>
<thead>
<tr>
<th>Mobile Communication</th>
<th>Machine-to-Machine</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td><strong>€ 976m</strong></td>
</tr>
<tr>
<td><strong>0%</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td><strong>€ 393m</strong></td>
</tr>
<tr>
<td><strong>+3%</strong></td>
<td><strong>+128%</strong></td>
</tr>
<tr>
<td><strong>Gross Margin</strong></td>
<td><strong>40.3%</strong></td>
</tr>
<tr>
<td><strong>+230bp</strong></td>
<td><strong>+210bp</strong></td>
</tr>
<tr>
<td><strong>PFO</strong></td>
<td><strong>€ 138m</strong></td>
</tr>
<tr>
<td><strong>+15%</strong></td>
<td><strong>+93%</strong></td>
</tr>
<tr>
<td><strong>PFO Margin</strong></td>
<td><strong>14.1%</strong></td>
</tr>
<tr>
<td></td>
<td><strong>+210bp</strong></td>
</tr>
</tbody>
</table>

- Return to revenue growth in second half with:
  - Product revenue up in the second half with acceleration in Q4 at +4% y-o-y on the back of first upgrade plans for LTE and NFC products.
  - Software and services at € 161m, up +7% y-o-y, with acceleration in Q4 at +17%.
  - Return to PFO growth in the second half, at € 107m, leading to a +15% expansion for the full year, to € 138m.

- Pro forma revenue is stable* despite events in Japan and Thailand, and unfavorable currency and economic conditions.
- Gross margin improves by 210 basis points compared to previous year’s consolidation period (Aug. 2010 – Dec. 2010).
- PFO at 7.9% of revenue; as R&D and marketing expenses were increased to build a comprehensive and integrated offer.

* Comparison of 2010 pro-forma revenue and 2011 revenue at historical exchange rates.
## Segment Key Financial Information

### Secure Transactions

<table>
<thead>
<tr>
<th>Revenue</th>
<th>€ 531m</th>
<th>+17%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit</td>
<td>€ 168m</td>
<td>+20%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>31.7%</td>
<td>+130bp</td>
</tr>
<tr>
<td>PFO</td>
<td>€ 58m</td>
<td>+40%</td>
</tr>
<tr>
<td>PFO Margin</td>
<td>+200bp</td>
<td></td>
</tr>
<tr>
<td>PFO Margin</td>
<td>10.9%</td>
<td></td>
</tr>
</tbody>
</table>

- Record-breaking performance supported by worldwide EMV and contactless payment migrations.
- Second semester growth at 13%, reflecting a progressive return to market growth average.
- Operational expenses were increased in second semester to prepare for future EMV migrations and arrival of mobile payment for banks.
- PFO margin outperforms the segment’s initial objective set as part of the 2010-2013 Development plan.

### Security

<table>
<thead>
<tr>
<th>Revenue</th>
<th>€ 310m</th>
<th>+10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit</td>
<td>€ 118m</td>
<td>+19%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>38.1%</td>
<td>+320bp</td>
</tr>
<tr>
<td>PFO</td>
<td>€ 30m</td>
<td>+55%</td>
</tr>
<tr>
<td>PFO Margin</td>
<td>+290bp</td>
<td></td>
</tr>
<tr>
<td>PFO Margin</td>
<td>9.6%</td>
<td></td>
</tr>
</tbody>
</table>

- Another year of double-digit growth in Security revenue, to € 310m.
- Government Programs grows by 11% with e-documents and e-services deployments, and IAM returns to higher revenue growth in the second semester at +13%.
- Government Programs backlog increases substantially.
- PFO margin outperforms the segment’s initial objective set as part of the 2010-2013 Development plan.
Changes in full year contributions to PFO

Year-on-year variations of contributions to total profit from ongoing operations

FY’2010

Mobile Communication
Machine-to-Machine
Secure Transactions
Security

Total products

FY’2011

Total Software & Services
Patents

€ 207m

€ 239m
### Cash flow

**Key items from the cash flow statement**

<table>
<thead>
<tr>
<th>€ in millions</th>
<th>FY'2011</th>
<th>FY'2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash generated from operations</strong></td>
<td>263</td>
<td>193</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>(51)</td>
<td>(19)</td>
</tr>
<tr>
<td><strong>Cash generated by operating activities</strong></td>
<td>211</td>
<td>174</td>
</tr>
<tr>
<td>Capital expenditure and acquisition of intangibles</td>
<td>(93)</td>
<td>(73)</td>
</tr>
<tr>
<td>Acquisitions and divestitures</td>
<td>0</td>
<td>(198)</td>
</tr>
<tr>
<td>Dividend and Share buy-back program</td>
<td>(84)</td>
<td>(60)</td>
</tr>
<tr>
<td><strong>Net cash, at end of the period</strong></td>
<td>309</td>
<td>255</td>
</tr>
</tbody>
</table>
2009-2011 Financial performance indicators

Revenue

- Ongoing operations: +28%
- All operations: +22%

Fall-through from Revenue to PFO

- +30 percentage points

PFO

- Ongoing operations: +40%
- All operations: +39%

IFRS - EBIT and Net profit

- All operations: +37%

Return On Capital Employed

- +140 basis points

Dividend & Share buyback

- +30%

Charts represent: Ongoing operations (Revenue and PFO), all operations in 2009 and Ongoing operation in 2010, 2011 (Fall-through), all operations (Other charts).

Return on capital employed (ROCE) is defined as after-tax PFO divided by capital employed. Charts are not to scale. Variations are calculated between 2009 and 2011.
The growth drivers of our businesses are in place

<table>
<thead>
<tr>
<th>Segment</th>
<th>2010-2011</th>
<th>Assumptions and expectations for 2012-2013 Revenue CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile Communication</td>
<td>+3% excl. M2M</td>
<td>Gradual mobile NFC services launches</td>
</tr>
<tr>
<td>Machine-to-Machine</td>
<td>+12% with M2M</td>
<td>Progressive LTE network roll-outs</td>
</tr>
<tr>
<td>Secure Transactions</td>
<td>+14%</td>
<td>More users of EMV payment and contactless technologies</td>
</tr>
<tr>
<td>Security</td>
<td>+18%</td>
<td>More citizens with electronic IDs</td>
</tr>
<tr>
<td>Patents</td>
<td>(21%)</td>
<td>Litigation in the United States resolves in 2012 or 2013</td>
</tr>
</tbody>
</table>

2010 – 2011 revenue Compound Annual Growth Rates are calculated per reporting segment for ongoing operations, at historical rates. Segment reporting format follows the basis of presentation for 2011 financial statements. Expectations for 2012-2013 are indicative revenue CAGR to be calculated over the two-year period.
Outlook for 2012

For the full year 2012 Gemalto expects another year of expansion in revenue and profit from operations, with all main segments increasing their respective revenue and profit, limited revenue from Patents, and less seasonality in Mobile Communication, on its way towards its target of € 300 million in profit from operations in 2013.
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