

||||| 2012 H1 Earnings Release

Olivier Piou, CEO

Jacques Tierny , CFO

August 30, 2012

Listen-only live audio webcast available from www.gemalto.com/investors

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; effects of the intense competition in the Company's main markets; 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, platforms and services; profitability of the expansion strategy; effects of acquisitions and investments; ability of the Company's to integrate acquired businesses, activities and companies according to expectations; 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 or its representatives 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 2012 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 operations (PFO)

Profit from operations 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 and General and Administrative expenses, and other income (expense) net. For the first semester 2011, it also includes the gain on re-measurement to fair value of an investment in associate, not part of the ongoing operations.

Ongoing operations

The adjusted income statement for ongoing operations excludes, as per the IFRS income statement, the contribution from discontinued operations to the income statement, and also the contribution from assets classified as held for sale and from other items not related to ongoing operations.

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.

✦ Overview

Olivier Piou, CEO

✦ Financial Results

✦ Business spotlight: Government Programs

✦ Moving Forward

First semester 2012 Highlights

- Revenue exceeded €1 billion, first time for a first semester
- Profit from operations increased 56%, at €115 million
- The Security segment grew revenue by 19% and its profit from operations by 69%
- Mobile Communication positive momentum accelerated with 4G/LTE and mobile payment service deployments

Extracts from the adjusted income statement for ongoing operations

Mobile payment ramps up for deployment

- Gemalto announced a series of major wins during the first semester in the US, Europe, Latin-America, and Asia
 - **Over 800** million mobile subscribers are addressable by TSM platforms already awarded to Gemalto
- Dynamic sector with numerous competing initiatives from internet payment service providers, handset and related OS suppliers, banks, mobile operators, and retailers
 - Their respective services are designed to **coexist** in consumer's mobile devices
- Most of these initiatives already protect payment services with two-factor chip-based security
 - It provides an **unmatched security-to-cost ratio**
 - and enables secure payment for both **mobile/online** and **in-store** purchases

Key figures from H1 2012 financial results

Extracts from the adjusted income statement for ongoing operations

Revenue at constant rates: +7%	€1,016m		Growth at historical rates: +10%
Gross profit +21%	€386m	38.1%	Gross margin +330bp
Operating expenses +10%	€271m	26.7%	Operating expenses +10bp
Profit from operations +56%	€115m	11.3%	PFO margin +330bp
EPS +72%	€1.17		

✦ Overview

✦ **Financial Results**

Jacques Tierny, CFO

✦ Business spotlight: Government Programs

✦ Moving Forward

Adjusted income statement and IFRS

Adjusted income statement

	Ongoing operations	Reconciling items (assets held for sale)	All operations	Amortization of intangible assets	Equity based compensation	Restructuring and acquisitions related expenses	IFRS
H1 2012							
Revenue	€1,016m	€5m	€1,020m				€1,020m
Profit from Operations	€115m	(€3m)	€112m				
Operating profit				(€10m)	(€25m)	(€2m)	€75m
H1 2011							
Revenue	€921m	€8m	€928m				€928m
Profit from Operations	€74m	€19m	€93m				
Operating profit				(€10m)	(€16m)	(€4m)	€63m

Segments key financial information

Mobile Communication

Revenue	€476m		
+6%			
Gross Profit	€200m	Gross Margin	42.0%
+26%		+560bp	
PFO	€69m	PFO Margin	14.6%
+114%		+710bp	

- Performance extends the positive business evolution of the segment on the back of the continued rise of LTE and additional mobile payment platform deliveries.
 - Embedded software and Products revenue is up in the first semester, +5% year-on-year
 - And Platforms and Services is up +13% year-on-year
- Improved revenue mix compared to H1 2011 drives the gross margin improvement, which reaches 42%. Operating expenses remained under disciplined control. Together they lead to a +710bp increase in PFO margin.

Machine-to-Machine

Revenue	€91m		
+5%			
Gross Profit	€30m	Gross Margin	32.7%
+3%		(160bp)	
PFO	€4.6m	PFO Margin	5.0%
(20%)		(180bp)	

- Machine-to-Machine revenue grew to €91 million, up +5% year-on-year.
- Gross profit increased to €30 million and margin settled at 33%, with exchange effects and higher impact of capitalized developments amortization
- Operating expenses increased year-on-year by +€2 million with further investments in new offers and the integration of the SensorLogic platform

Segments key financial information

Secure Transactions

Revenue	€267m	
+4%		
Gross Profit	€88m	Gross Margin 32.8%
+13%		+200bp
PFO	€26.7	PFO Margin 10.0%
+1%		(50bp)

- Revenue growth for the first half, at +4%, was in line with current global market rate, and comes on top of the previous year's strong segment's performance.
- Operating expenses were stable on a sequential basis, and grew by +€10 million year-on-year, in support of several mid to long-term strategic opportunities: future EMV migrations and mobile payments in particular.
- Profit from operations increased to €27 million, representing a margin of 10%

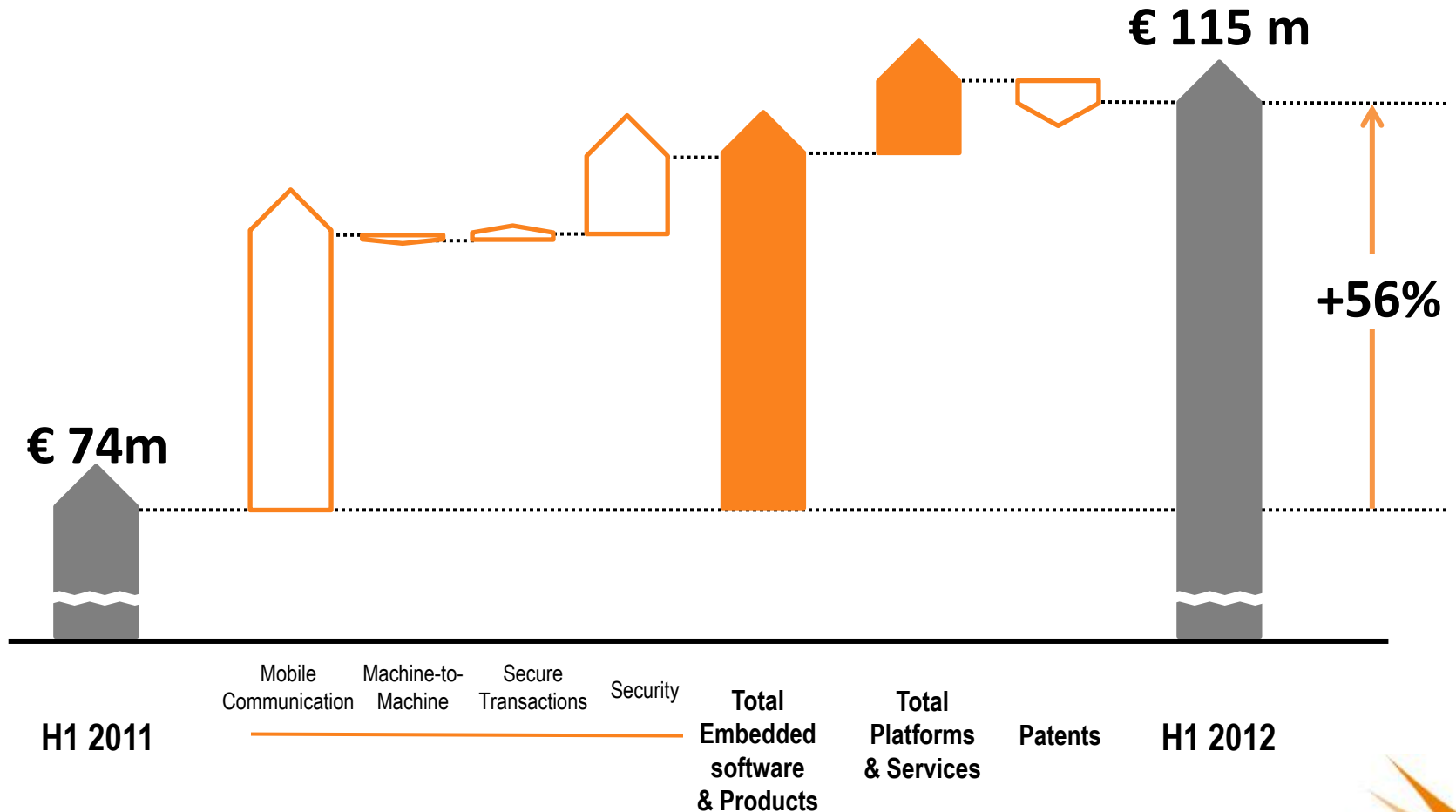
Security

Revenue	€180m	
+19%		
Gross Profit	€68m	Gross Margin 37.7%
+26%		+100bp
PFO	€19.2m	PFO Margin 10.6%
+69%		+290bp

- Security revenue up +19% year-on-year, to €180 million.
- Government Programs contributed most significantly to the segment performance, and IAM continued to deliver on the increasing demand for online banking security solutions.
- Top-line growth outpaced the +€6 million increase in Operating expenses to support the activity expansion.
- Profit from operations increased by +69% year-on-year, to €19 million, representing a margin of 10.6%.

Changes in first semester contributions to PFO

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



Cash flow

Key items from the cash flow statement

<i>€ in millions</i>	H1 2012	H1 2011
Cash generated from operations	105	72
Income tax paid	(15)	(33)
Cash generated by operating activities	90	40
Capital expenditure and acquisition of intangibles	(48)	(37)
Acquisitions and divestitures	(7)	5
Dividend and Share buy-back program	(57)	(54)
Net cash, at end of the period	300	186

✦ Overview

✦ Financial Results

✦ **Business spotlight: Government Programs**

Olivier Piou, CEO

✦ Moving Forward

Spotlight: Government Programs

Securing citizen identities, protecting privacy, powering modern, efficient eGovernment services

Governments need solutions that

- ✘ Migrate identity documents to electronic formats to reduce fraud, improve benefits efficiency and protect citizen privacy
- ✘ Increase convenience and reduce costs of services rendered by deploying eGovernment solutions which ensure citizens can access 24/7 to public services securely and remotely

Gemalto's strategy

Address both developed and fast-growing economies in their modernization programs with two different approaches:

Large population countries: Focused contribution

Smaller population countries: End-to-end prime solution provider



Sealys
Secure documents

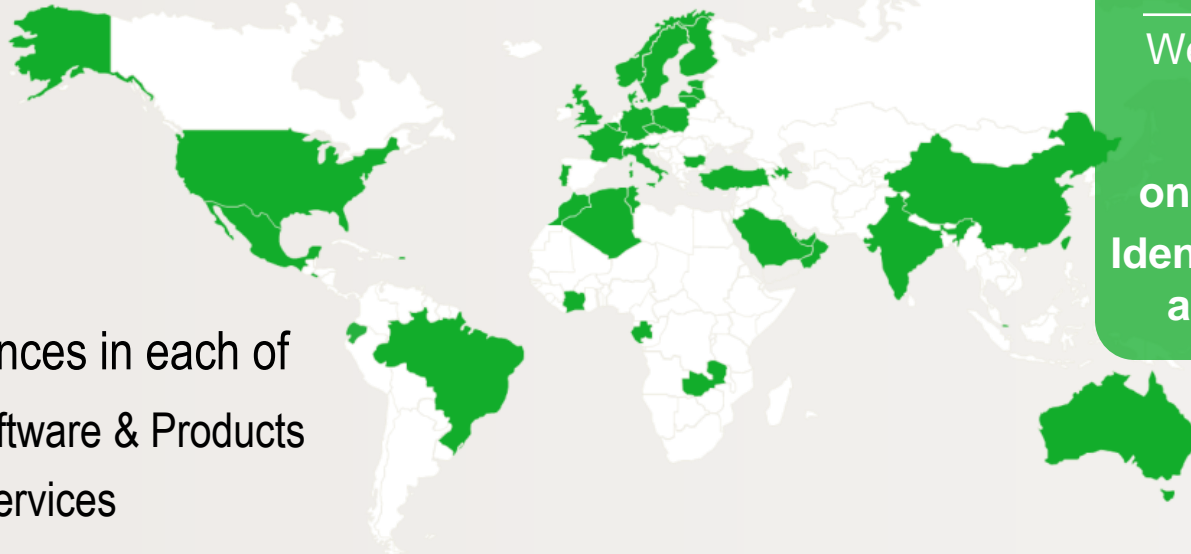


Coesys
Secure solutions



Allynis
Secure services

Trusted by authorities and Governments worldwide



Market Overview

We estimate that currently

only **10%** of Identity documents are electronic

Over **60** references in each of

- Embedded software & Products
- Platforms & Services

Gemalto is the

#1

in customer references

Our long-term contracts continues to grow

+40%

since the beginning of 2010



Platforms and Services to secure identities and power eGovernment

Coesys Solutions Suite

Coesys eGov 2.0

Enrolment



Issuance



National Registry

eVerification



eServices

Online access to public services

- Taxes and other declarations filing
- Driving License & Vehicle registration
- Healthcare eVerification & eClaims
- eVoting, etc.



Federated Identity

- Multi-browser, cross-platform secure authentication
- End-to-end PKI infrastructure



Value-added Services

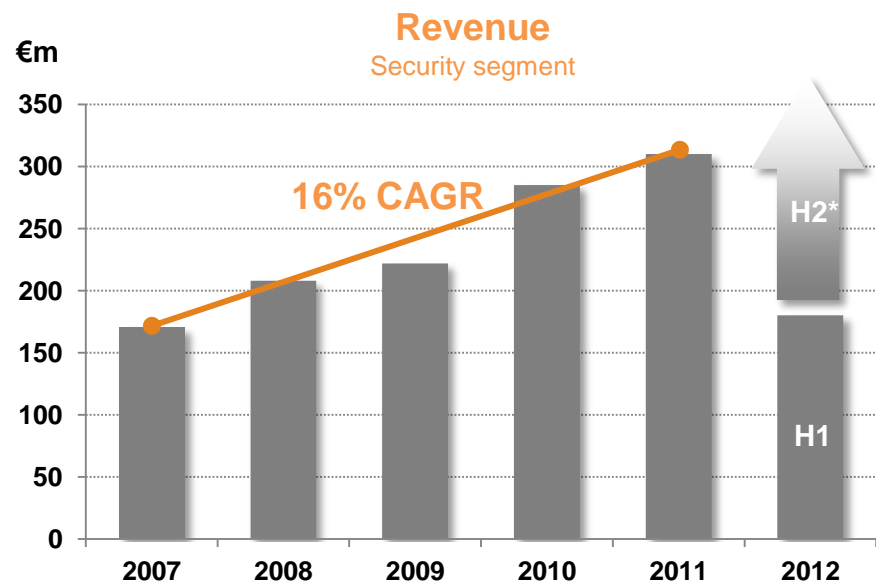
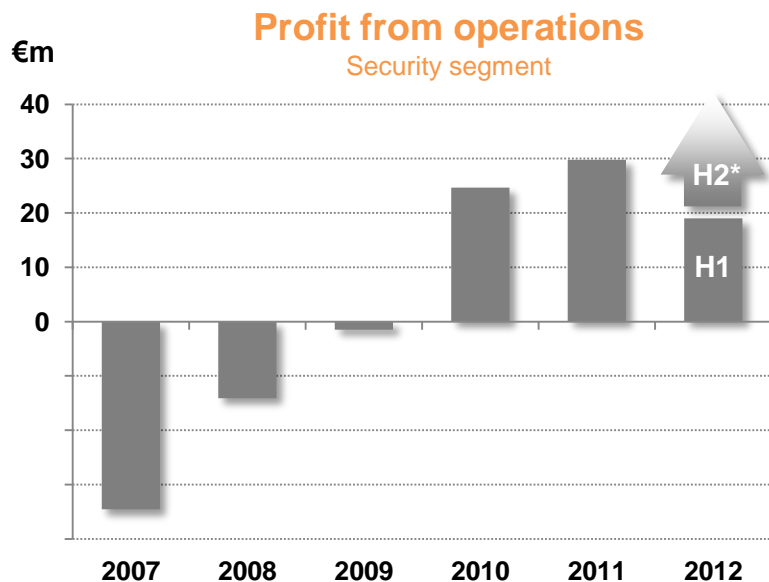
- Applications also available on mobile phone and tablets
- Project, knowledge, and incident management services



From investment to consistently profitable growth

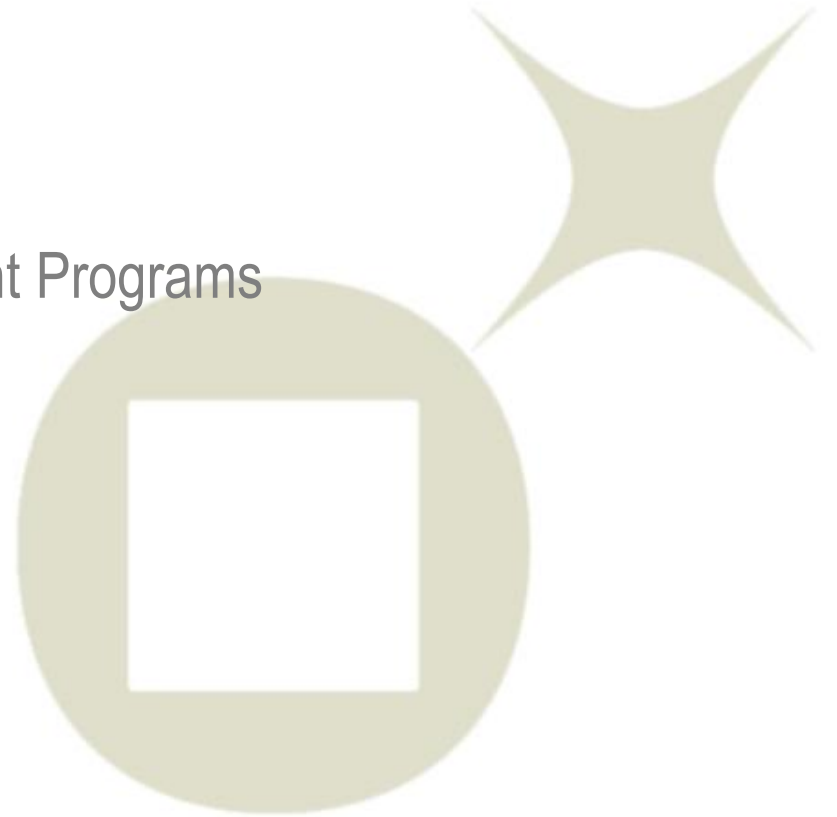
- ✘ Government Programs reports into the Security segment which includes
 - ✘ Government Programs (2/3 of revenue in 2011)
 - ✘ Identity and Access Management (1/3 of revenue in 2011)

Both activities have grown at a double-digit rate during the 2007-2011 period
- ✘ Over the 2012-2013 period, Security revenue is expected to continue to grow double-digit



* Outlook: For the full year 2012, the Security segment revenue and profit from operations are expected to increase year-on-year. Graphical representation for the second semester 2012 is not meant to be to scale

- ✦ Overview
- ✦ Financial Results
- ✦ Business spotlight: Government Programs
- ✦ **Moving Forward**
Olivier Piou, CEO



Outlook for 2012

For the full year 2012, Gemalto now expects its profit from operations to come close to its 2013 target of €300 million, with all main segments increasing their revenue and profit, limited revenue from Patents, and less seasonality in Mobile Communication.



- ✧ 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 ✧