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# First quarter 2015 revenue

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# Basis of preparation

## Segment information

From January 1, 2014, segment information was modified to report on progress towards the objectives set as part of the Company's new long-term development plan covering the years 2014 to 2017, publicly announced on September 5, 2013. The Mobile segment reports on businesses associated with mobile cellular technologies including Machine-to-Machine, mobile secure elements (SIM, embedded secure element) and mobile Platform & Services. The Payment & Identity segment reports on businesses associated with secure personal interactions including Payment, Government Programs and Enterprise.

As of 2014, in addition to this segment information the Company also reports revenues of Mobile and Payment & Identity by type of activity: Embedded software & Products (E&P) and Platforms & Services (P&S).

## SafeNet acquisition and related pro forma figures

Following the acquisition of SafeNet and for a better understanding of the current and future year-on-year evolution of the business, the Company presents the 2014 Gemalto segment and activity pro forma figures as if SafeNet had been consolidated for the full year 2014 period and year-on-year variations between these 2014 pro forma figures and 2015 figures as if SafeNet had been consolidated starting January 1, 2015. The difference between 2015 actual figures and 2015 pro forma figures corresponds to the SafeNet contribution from January 1st, 2015 to January 7th, 2015, the actual transaction closing date. SafeNet's pro forma figures used in this document were translated into Euro using monthly currency conversion rates.

## Adjusted income statement and Profit from operations

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 fair value adjustments over net assets acquired, 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.

Return on capital employed (ROCE) is defined as after-tax PFO divided by capital employed.

## 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.

Olivier PLOU - CEO

# Overview

# First quarter 2015 Highlights

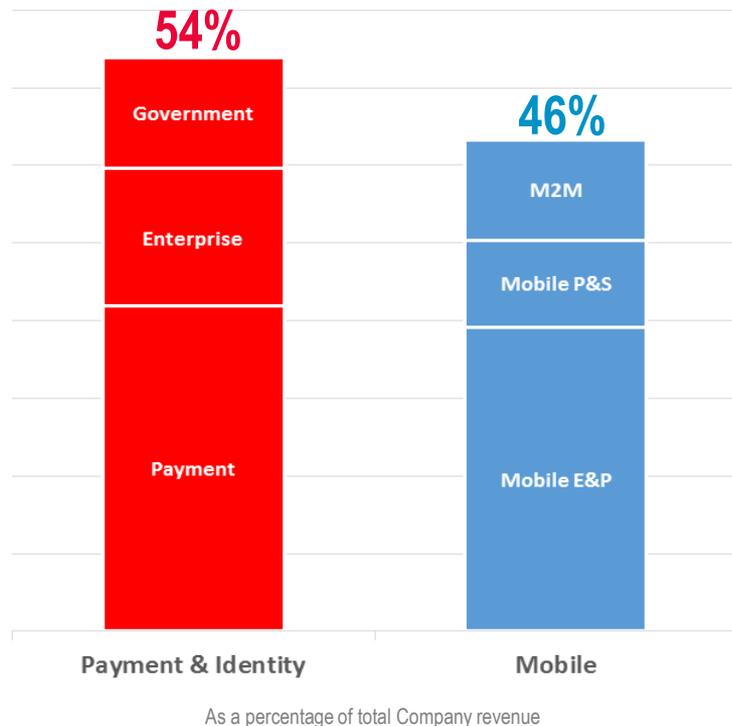
- Revenue at €686 million, up +29% at historical exchange rates and +19% at constant exchange rates, with strong business growth and addition of SafeNet
- Growth came from all main segments and activities
- Strong performance in Machine-to-Machine, up +25%, and in Payment, up +18%
- SafeNet acquisition well received by customers
- Platforms & Services represents 27% of total revenue

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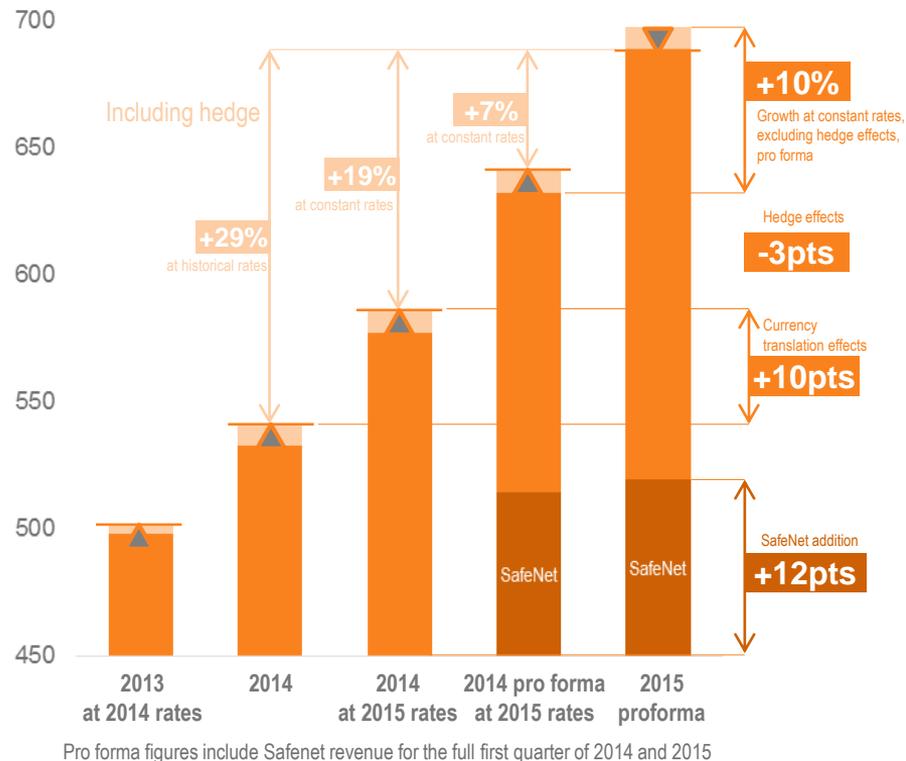
Revenue variations are at constant exchange rate except where otherwise noted

# Key figures from first quarter 2015

## Main segment revenues



## Year-on-year Q1 revenue variations

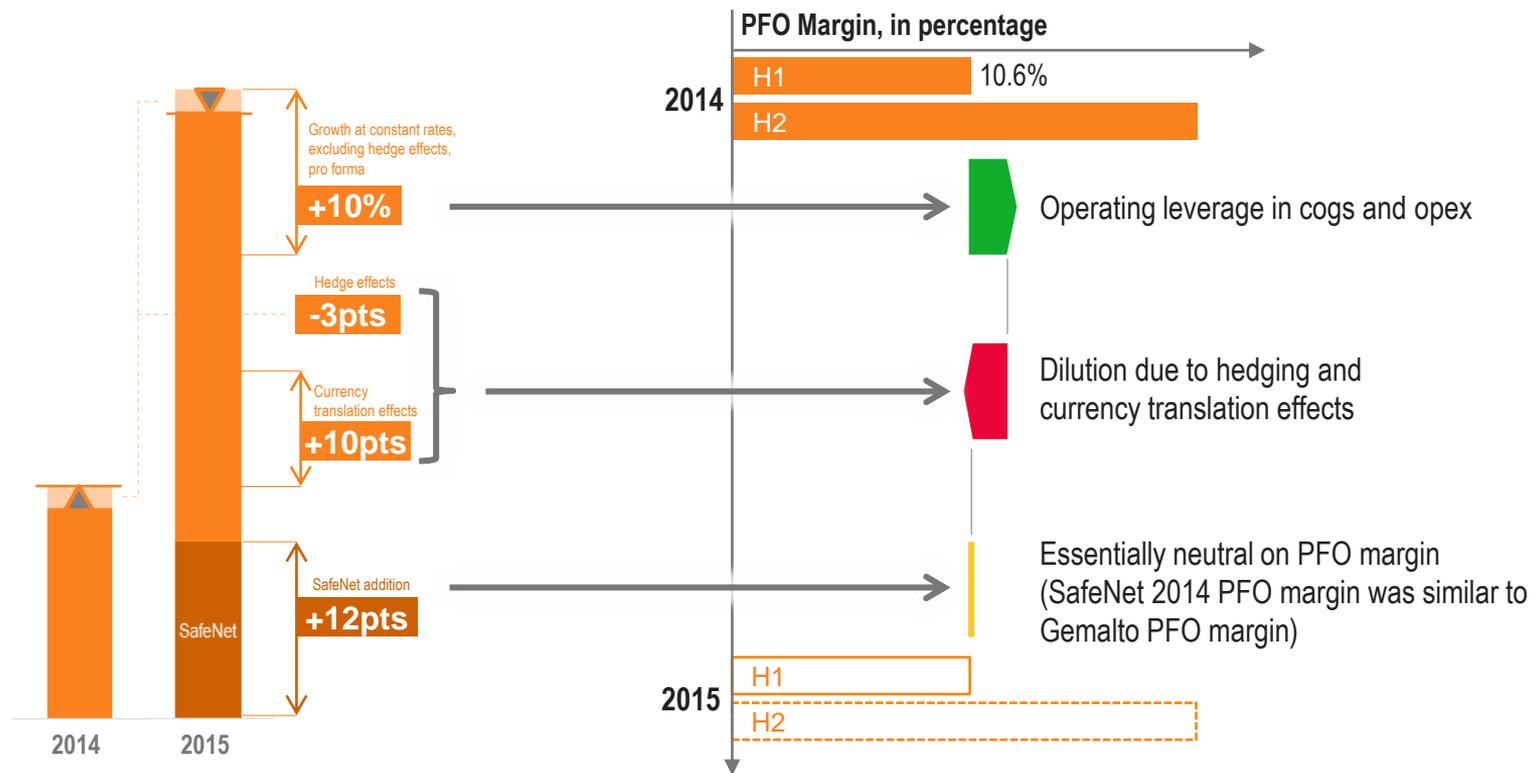


Jacques TIERNY - CFO

# Financial results

# PFO expansion is driven by revenue growth

Large currency variations and related hedge effects offset PFO margin leverage



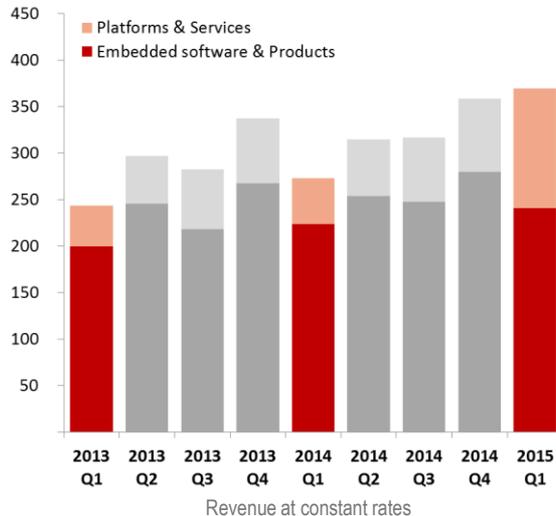
# Payment & Identity – key financial information

Revenue

€ 369m

+35%

(2014 Q1: € 253m)



- Embedded software & Products grew by +7% at €241 million and Platforms & Services sales more than doubled at €129 million including SafeNet's revenue, up +20% year-on-year on a pro forma basis.
- The Americas posted the largest growth in the Payment business, with revenue more than doubling compared to previous year on strong sales of EMV payment cards and rapid expansion in issuance services in the United-States.
- Improvement in the Enterprise business comes both from the addition of SafeNet and from the sustained market demand for cybersecurity solutions.
- Deployments of previously won government programs started, confirming the improving dynamics for this business.
- Agreement to acquire the secure document business of Trüb AG, a Swiss provider of identification solutions for governments and banks with world-class expertise in secure identity documents.

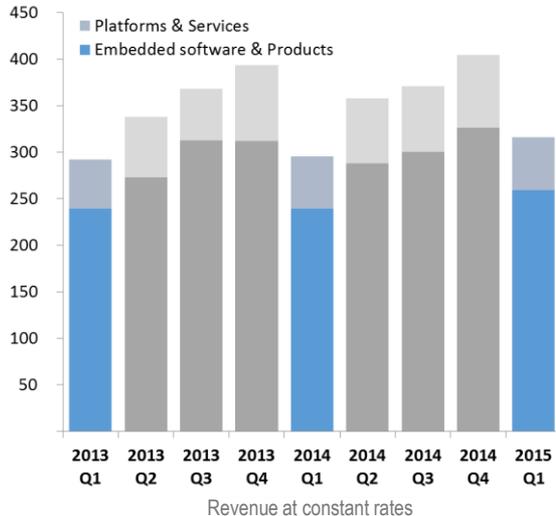
# Mobile – key financial information

Revenue

€ 316m

+7%

(2014 Q1: € 271m)



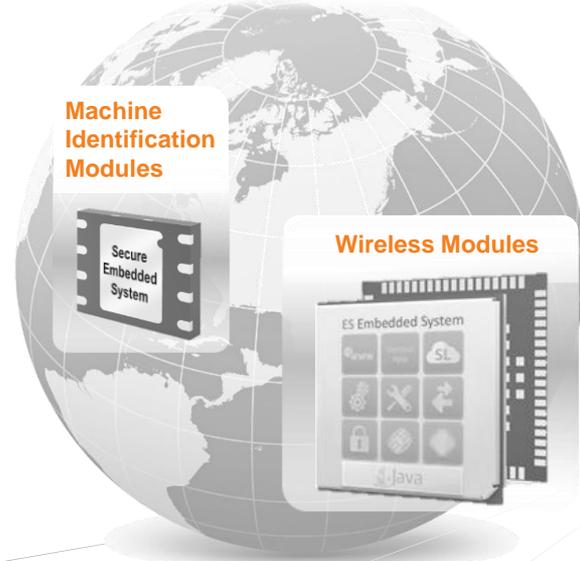
- Embedded software & Products came in at €260 million, expanding by +8% compared to the first quarter of 2014.
  - Machine-to-Machine business increased by +25% year-on-year due to the expanding global demand of connected devices and embedded secure elements (eSE) for the Internet of Things.
  - SIM business grew by +4%.
- Platforms & Services was stable at €57 million as Mobile Financial Services revenue decreased year-on-year due to the time necessary for finalizing the developments of new technologies in the mobile contactless ecosystem such as Tokenization, Trusted Execution Environment (TEE), Host Card Emulation (HCE).

Olivier PIOU - CEO

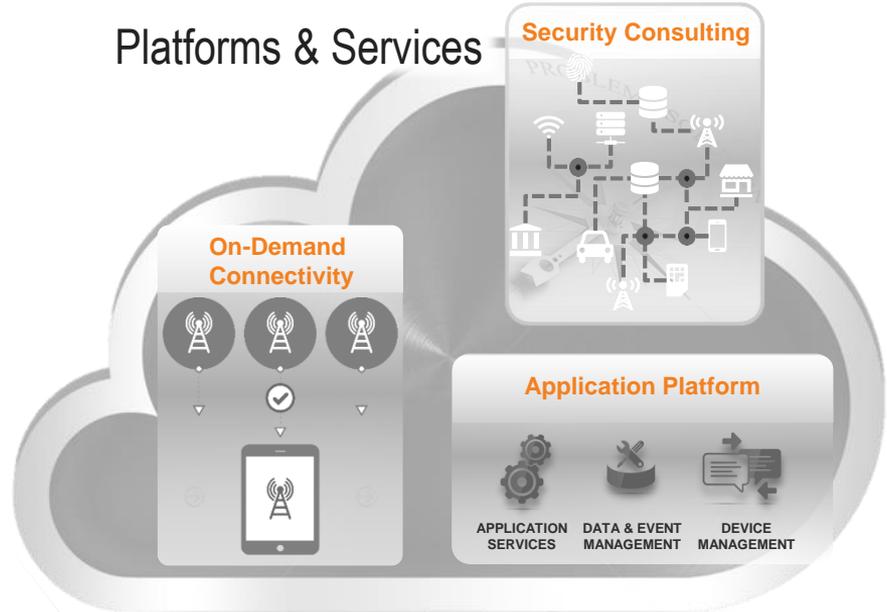
# Moving forward

# Gemalto's "Connect & Protect" offering for the IoT

## Embedded software & Products



## Platforms & Services



## Principal markets served currently



# Key trends for 2015

- Strong growth in Payment as EMV continues to ramp up
- Rapid expansion in the Internet of Things, including wireless modules and embedded secure elements (eSE)
- Increase in demand for data protection and cybersecurity solutions
- Mobile environment expected to continue to fluctuate until the contactless ecosystem deploys the technology improvements (TEE, HCE, Tokenization) introduced in 2014
- Growth acceleration in Government Programs

## Outlook for 2015

For 2015, Gemalto anticipates a steady expansion in annual profit from operations towards its upgraded 2017 objective of over € 660 million

# Gemalto

## Enabling trust in the digital world

- ✧ 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 ✧