

Paris La Défense, Amsterdam, 27 March 2018 – 23:00

## Thales launches its offer on all Gemalto shares

- Publication of the offer document approved by the AFM
- Offer to be discussed at Gemalto shareholders' meeting on 18 May 2018
- Acceptance period from 28 March to 6 June 2018

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With the publication of the Offer Document today and with reference to the joint press release dated 17 December 2017, Thales (Euronext Paris: HO) and Gemalto (Euronext Amsterdam and Paris: GTO) announced today that Thales is launching its recommended all-cash offer (the "Offer") to all holders of issued and outstanding shares in the capital of Gemalto for EUR 51.00 per share, *cum* dividend.

Patrice Caine, Thales's Chairman and Chief Executive Officer, commented: *"The publication of the Offer Document is the first major step of the proposed acquisition of Gemalto, to create a world leader in digital security."*

Philippe Vallée, Gemalto's Chief Executive Officer, added: *"Thales's and Gemalto's teams are working together to obtain the required authorizations for the success of the operation."*

Alex Mandl, Chairman of Gemalto's Board of Directors, stated: *"After full and careful review with its financial and legal advisors of the various options available to the company, the Gemalto Board of Directors unanimously recommends Gemalto's shareholders tender their shares into the Offer. I am counting on the support of all the company's shareholders for the upcoming general meeting."*

### Transaction highlights

- Recommended all-cash offer for all the issued and outstanding ordinary shares in the capital of Gemalto (each, an "Ordinary Share"), including Ordinary Shares represented by American Depositary Shares (each, an "ADS"), with every two ADSs representing one Ordinary Share (Ordinary Shares and ADSs are collectively referred to in this press release as the "Shares" and each, a "Share"), at an offer price of EUR 51.00 (*cum* dividend) per Ordinary Share (the "Offer Price") and EUR 25.50 per ADS.
- The Gemalto's Board of Directors fully supports the Offer and unanimously recommends shareholders tender their Shares. All members of the Gemalto Board who have Shares have irrevocably committed to tender all of their Shares into the Offer.
- Thales and Gemalto have agreed on certain non-financial terms, including:
  - Thales to combine its digital assets with Gemalto, creating a world leader in digital security;
  - increased R&D expenses which remain at the heart of the digital security businesses of Thales and Gemalto;
  - existing rights of Gemalto employees will be respected;
  - Gemalto's brand will be maintained.

**PRESS RELEASE**

- The acceptance period (the “Acceptance Period”) will commence on 28 March 2018 at 9:00 hours CET (3:00 am New York time), and will end on 6 June 2018 at 17:40 hours CET (11:40 am New York time). Thales plans to extend this period until customary conditions for a transaction of this kind are met, in particular obtaining the required regulatory clearances. The payment of the Offer Price to the shareholders who tendered their Shares into the Offer is expected in the course of the second half of 2018, provided that the Offer is declared unconditional.
- In parallel, Gemalto shareholders will be invited to attend the shareholders’ meeting on 18 May 2018.
- The consummation of the Offer is subject to the satisfaction or waiver of conditions that are customary for transactions of this kind, including:
  - a minimum acceptance level of at least 67% of Gemalto shares;
  - having obtained the required regulatory clearances;
  - no material adverse effect having occurred and continuing;
  - no material breach of the merger agreement having occurred; and
  - no Superior Offer having been made or agreed upon.
- Gemalto has made available on its website the Position Statement (as defined below) providing further information to shareholders, including the recommendation on the Offer and the agenda for Gemalto’s annual general meeting.
- Thales and Gemalto have also made available on their websites a French summary of the Offer Document including in particular the description of the tendering procedures applicable to French shareholders and the material French tax aspects of the Offer.

**Creation of a global digital security leader**

By combining their businesses, Gemalto and Thales have the intention to create a leading global player in digital security.

**Acceleration of Thales’s digital strategy**

Over the past three years, Thales has significantly increased its focus on digital technologies, investing over EUR 1 billion in connectivity, cybersecurity, data analytics and artificial intelligence, in particular with the acquisition of Sysgo, Vormetric and Guavus. The integration of Gemalto strongly accelerates this strategy, reinforcing Thales’s digital offering, across its five vertical markets (aeronautics, space, ground transportation, defence and security).

**Unique and innovative technology portfolio in IoT, mobile and cloud worlds**

Combined with Gemalto’s unique leading digital security portfolio, Thales will be ideally positioned to offer end-to-end solutions to secure the full critical digital decision chains, from data creation in sensors to real-time decision making. This unrivalled and innovative technology portfolio will put Thales in a highly differentiated position to provide enterprises and government agencies with a seamless response to the data security challenges that lie at the heart of their digital transformation.

**Creation of a global leader in digital security and cybersecurity**

By acquiring Gemalto, Thales adds around EUR 3 billion of revenue to its digital business sales and acquires a set of technologies and competencies that have applications across Thales's five vertical markets. The combination creates a powerhouse with a solution portfolio including security software, expertise in biometrics and multifactor authentication, and the issuance of secure digital and physical credentials. These technologies, which combine diverse and constantly evolving use cases, are expected to yield significant commercial opportunities and revenue synergies in the years ahead.

**Capacity to address all customer digital security needs**

Thales will combine its digital businesses with Gemalto, which will continue to operate under its own brand as one of the seven Thales global business units. Both Thales and Gemalto management teams share a common industrial vision and endorse the growth project of this newly created digital security global business. The Gemalto CEO, Mr. Philippe Vallée, will lead this newly created "Digital Security" global business unit.

**R&D: the common DNA of Thales's and Gemalto's digital businesses**

Gemalto and Thales are technology-driven companies with world-class R&D capabilities. R&D is at the core of Thales's and Gemalto's digital security businesses, and will remain so. The future entity can access five Thales R&D centers worldwide and its portfolio of 16,500 patents. In 2017, Thales increased its R&D investments by 9% and will continue its efforts in 2018, with growth of 10%, faster than sales. The combination will result in a combined group of more than 28,000 engineers and 3,000 researchers, which will invest more than EUR 1 billion annually in self-funded R&D.

**Offer fully supported and unanimously recommended by the Board of Directors of Gemalto**

The merger agreement regarding the combination of Thales and Gemalto was entered into at the time when a unilateral unsolicited offer for Gemalto's shares was announced by Atos. The Board of Directors of Gemalto considered that Atos's unsolicited and conditional offer was not compelling when compared with Gemalto's standalone strategy. Thales's subsequent approach to Gemalto set into motion constructive discussions on the terms of a combination and the strategic rationale thereof.

Throughout the process, Gemalto has discussed on a frequent basis the progress of the discussions and negotiations with Thales and the key decisions in connection therewith. The Board of Directors of Gemalto, with the support of its financial and legal advisors, has given careful consideration to all aspects of the Offer, including the strategic, financial, operational and social points of view.

Each of Deutsche Bank AG, Paris Branch and J.P. Morgan Securities plc delivered a fairness opinion to the Board of Directors of Gemalto dated 16 December 2017 indicating that - as of such date and based upon and subject to the factors, qualifications and assumptions set forth in the fairness opinions - the Offer Price to be paid to the shareholders pursuant to the Offer was fair from a financial point of view to the shareholders.

In the merger agreement, Thales and Gemalto agreed on the undertakings that the Board of Directors of Gemalto had identified as relevant for its support of the proposal put forth by Thales. The merger agreement signed between Thales and Gemalto thus provides for (i) a strategic direction that is in the best interest of Gemalto and promotes the sustainable success of its business, (ii) adequate protection for all stakeholders, (iii) deal-certainty and (iv) a fair price.

Consistent with its fiduciary duties the Board of Directors, following a careful review of alternatives and of the different stakeholders' interests with the support of its advisors, unanimously concluded that the Offer is in the best interests of Gemalto, the sustainable success of its business, and its stakeholders, in particular its clients, employees and shareholders.

The Gemalto's Board of Directors unanimously decided to fully support the Offer, to recommend Gemalto's shareholders tender their Shares into the Offer and to vote in favour of the Gemalto resolutions to be taken at Gemalto's annual general meeting.

### Gemalto Annual General Meeting on 18 May 2018

Gemalto has convened its annual general meeting. This shareholders meeting will be combined with the shareholders' meeting to discuss the Offer, which is required under the Dutch offer rules, and shall be held at 10:00 hours CET on 18 May 2018 at the hotel Hilton Amsterdam Airport Schiphol, Schiphol Boulevard 701, 1118 BN Schiphol, The Netherlands. Separate convocation materials are available on Gemalto's website ([www.gemalto.com](http://www.gemalto.com)).

A position statement of Gemalto's Board of Directors including the information that is required pursuant to Section 18 paragraph 2 of the Dutch Decree on Public Takeover Bids (*Besluit openbare biedingen Wft*) (the "Position Statement") is available on Gemalto's website ([www.gemalto.com](http://www.gemalto.com)).

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*This is a joint press release by Thales and Gemalto pursuant to Section 4, paragraphs 1 and 3, Section 10 paragraph 1 sub c and 3 and Section 18, paragraph 3 of the Dutch decree on public takeover bids (Besluit openbare biedingen Wft) and Article 17 of the Market Abuse Regulation in connection with the recommended all-cash offer by Thales for all the issued and outstanding shares in the capital of Gemalto, including all American depositary shares. This announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in Gemalto. Any offer will be made only by means of the Offer Document, which is available as of today.*

## About Thales

The people we all rely on to make the world go round – they rely on Thales. Our customers come to us with big ambitions: to make life better, to keep us safer. Combining a unique diversity of expertise, talents and cultures, our architects design and deliver extraordinary high technology solutions. Solutions that make tomorrow possible, today. From the bottom of the oceans to the depth of space and cyberspace, we help our customers think smarter and act faster - mastering ever greater complexity and every decisive moment along the way. With 65,000 employees in 56 countries, Thales reported sales of €15.8 billion in 2017.

[www.thalesgroup.com](http://www.thalesgroup.com)

## About Gemalto

Gemalto is the global leader in digital security, with 2017 annual revenues of €3 billion and customers in over 180 countries. We bring trust to an increasingly connected world.

From secure software to biometrics and encryption, our technologies and services enable businesses and governments to authenticate identities and protect data so they stay safe and enable services in personal devices, connected objects, the cloud and in between.

Gemalto's solutions are at the heart of modern life, from payment to enterprise security and the internet of things. We authenticate people, transactions and objects, encrypt data and create value for software – enabling our clients to deliver secure digital services for billions of individuals and things.

Our 15,000 employees operate out of 112 offices, 43 personalization and data centers, and 30 research and software development centers located in 48 countries.

[www.gemalto.com](http://www.gemalto.com)

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## Annex - further details on the Offer

### The Offer

Thales announces that it is making the Offer on the terms and subject to the conditions and restrictions contained in the offer document that is published today (the “Offer Document”). Terms not defined in this annex have the meaning ascribed to them in the Offer Document.

Shareholders that have tendered their Shares pursuant to the Offer and not validly withdrawn such tender will be paid, subject to the Offer being declared unconditional, in consideration of each Share validly tendered (or defectively tendered, provided that such defect has been waived by Thales) for acceptance and transferred, a cash amount of EUR 51.00 *cum* dividend per Ordinary Share (the “Offer Price”), and for each ADS 50% of the Offer Price, or EUR 25.50 (the “ADS Offer Price”), paid in cash in an equivalent amount of U.S dollars, with the U.S. dollar equivalent being calculated by Thales using the spot market exchange rate for the U.S. dollar against the euro published on Bloomberg at 12:00 p.m., New York time on the day immediately prior to the date on which funds are received by American Stock Transfer & Trust Co., LLC, in its capacity as ADS Tender Agent, to pay the ADS Offer Price following the Offer being declared unconditional.

The Offer Price represents a premium of 57% over Gemalto’s unaffected closing share price as of 8 December 2017 and values Gemalto at approximately EUR 4.8 billion.

Thales confirmed in the joint press release of 17 December 2017 that Thales will be able to finance the Offer through its available cash resources and through new debt arrangements. Reference is made to Section 6.5 (*Financing of the Offer*) of the Offer Document for further details.

### Regulatory clearances

Thales and Gemalto are in the process of making all necessary filings to obtain the required clearances from the competent antitrust authorities in Australia, the European Union, China, Israel, Mexico, New Zealand, Russia, South Africa, Turkey, and the United States. In addition to approval from the Committee on Foreign Investments in the United States, Thales and Gemalto will seek similar regulatory clearances from the competent authorities in Australia, Canada and Russia.

Thales and Gemalto expect to have obtained all regulatory clearances in the course of the second half of 2018. Thales will timely request an exemption from the AFM and subject to receipt of such exemption extend the Acceptance Period until such time as Thales, in consultation with Gemalto, reasonably believes is necessary to obtain the required regulatory clearances.

### Governance

After the successful completion of the Offer, and assuming a successful passing of the relevant resolutions at Gemalto’s annual general meeting, the Board of Directors of Gemalto will be composed of three non-executive directors selected by Thales, being Mr. Pascal Bouchiat, Mr. Pierre-Eric Pommellet and Mrs. Isabelle Simon, and two non-executive directors as “Independent Members”, being Mr. Philippe Alfroid who is currently a member of the Board of Directors of Gemalto, and Mrs. Marie-Hélène Sartorius. In addition, Mr. Philippe Vallée shall maintain his position as executive director and Chief Executive Officer of Gemalto (and will become head of the “Digital Security” global business unit (“DIS GBU”)).

The Independent Members are considered independent members within the definition of the Dutch Corporate Governance Code, and they are not representatives of Thales. The Independent Members (or their successors) will continue to serve on the Board of Directors of Gemalto for the duration of the Non-Financial Covenants Duration further detailed in Section 6.20.10 (*Duration*) of the Offer Document.

### **Non-Financial Covenants**

Thales has agreed to certain non-financial covenants with regard to, *inter alia*, strategy, R&D, employees, location and brand. The non-financial covenants are set out in detail in Section 6.20 (*Non-Financial Covenants*) of the Offer Document and will apply for at least two years following the Settlement Date, except as otherwise provided. Any material deviation from the non-financial covenants requires the prior written approval of the non-executive directors of the Board of Directors of Gemalto, with the two Independent Members having a veto right. Certain non-financial covenants are highlighted below.

Thales shall create the DIS GBU by contributing its world class digital-security business to Gemalto. The DIS GBU will be one of the world leaders in the digital security industry. The headquarters of the DIS GBU will be located in the Paris region.

R&D is at the core of Thales's and Gemalto's digital-security businesses and will remain so. R&D expenditures in the coming years will be in excess of the current combined R&D expenditures of Thales and Gemalto. The current Gemalto R&D activity will remain within the DIS GBU.

To facilitate the integration of the Gemalto Group within Thales, an Integration Committee will be established as of the Settlement Date and composed of representatives of both Thales and Gemalto. The Integration Committee will determine an integration plan, monitor its implementation and do all things necessary to assist and facilitate the integration

### **Irrevocable undertakings by members of the Board of Directors of Gemalto**

As described in more detail in Section 6.8 (*Irrevocable undertakings of Gemalto shareholders*) of the Offer Document, each of Mr. Mandl, Mr. Vallée, Ms. Akbari and Mr. Piou has irrevocably undertaken to tender his/her Shares and/or ADSs into the Offer, under the same terms and conditions as the other Shareholders, and to vote in favor of the Gemalto Resolutions at Gemalto's annual general meeting, in each case subject to the conditions that the Board of Directors of Gemalto continues to support and recommend the Offer and that the Merger Agreement has not been terminated in accordance with its terms.

None of Mr. Mandl, Mr. Vallée, Ms. Akbari or Mr. Piou received any information from Thales or Gemalto relevant for a Shareholder in connection with the Offer that is not included in the Offer Document.

### **Acceptance Period**

The Acceptance Period will begin at 9:00 hours CET (3:00 am, New York time), on 28 March 2018 and, unless extended in accordance with Section 5.4 (*The Acceptance Period and extension of the Acceptance Period*) of the Offer Document, will end at 17:40 hours CET (11:40 am, New York time), on 6 June 2018. Acceptance under the Offer must be made in the manner specified in the Offer Document. Thales has agreed that it will accept book-entry tenders of ADSs (including pursuant to the guaranteed delivery procedures set forth in Section 5.3.4 (*Acceptance by holders of ADSs*) of the Offer Document) until 5:00 pm, New York time, on the Acceptance Closing Date.

Any Shares tendered on or prior to the Acceptance Closing Time may be withdrawn at or prior to the Withdrawal Deadline but may not be withdrawn thereafter, subject to the rights of withdrawal set forth in Section 5.3.7 (*Withdrawal Rights*) of the Offer Document, in particular the right of withdrawal of any tender during an extension of the Acceptance Period in accordance with the provisions of article 15, paragraph 3 of the Decree.

#### **Extension of the Acceptance Period**

Thales reserves the right to extend the Offer past the Acceptance Closing Date. If the Offer is extended past the Acceptance Closing Date, Thales will make an announcement to that effect in accordance with the Decree. The provisions of article 15, paragraph 2 of the Decree, require that such an announcement be made within three business days following the Acceptance Closing Date. As described in further detail in Section 5.4 (*The Acceptance Period and extension of the Acceptance Period*) of the Offer Document, Thales will timely request an exemption from the AFM to further extend the Acceptance Period until such time as Thales, in consultation with Gemalto, reasonably believes is necessary to cause the offer condition relating to the required regulatory clearances to be satisfied.

Unless the Acceptance Period is extended, Thales will, in accordance with article 16 paragraph 1 of the Decree, announce whether the Offer is declared unconditional within three business days following the Acceptance Closing Date. See Section 5.5 (*Declaring the Offer unconditional*) of the Offer Document for further details.

#### **Declaring the Offer unconditional**

The Offer is subject to the satisfaction or waiver (either in whole or in part and at any time) of the Offer Conditions set out in Section 6.6.1 (*Offer Conditions*) of the Offer Document. Thales reserves the right to (either in whole or in part at any time) waive certain Offer Conditions under the conditions set out in Section 6.6 (*Offer conditions, waiver and satisfaction*) of the Offer Document. If Thales (either in whole or in part at any time) waives one or more Offer Conditions, Thales will inform the Shareholders.

No later than on the third business day following the acceptance closing date, Thales will determine whether the Offer Conditions have been satisfied or waived. On that date Thales will announce, in accordance with article 16, paragraph 1 of the Decree, whether the Offer (i) has been declared unconditional, (ii) will be extended in accordance with article 15 of the Decree, or (iii) is terminated as a result of the Offer Conditions not having been satisfied or waived.

#### **Post-Closing Acceptance Period**

If and when the Offer is declared unconditional, Thales will publicly announce, in accordance with Article 17 of the Decree, a Post-Closing Acceptance Period to enable Shareholders that did not tender their Shares during the Acceptance Period to tender their Shares during such Post-Closing Acceptance Period under the same terms and conditions applicable to the Offer.

#### **Settlement**

In the event that Thales declares that the Offer is unconditional, Thales will accept transfer of all tendered Shares under the terms of the Offer and at the latest on the Settlement Date, transfer the Offer Price in respect of each tendered Ordinary Share and the ADS Offer Price in respect of each transferred tendered ADS, respectively. The Settlement Date shall be no later than five business days after the Offer having been declared unconditional.



### **Liquidity and delisting**

The purchase of Shares by Thales pursuant to the Offer will reduce the number of Shareholders, as well as the number of Shares that might otherwise be traded publicly.

Should the Offer be declared unconditional, Thales and Gemalto intend to procure the delisting of the Shares on Euronext Amsterdam and Euronext Paris as soon as possible. This may further adversely affect the liquidity and market value of any Shares not tendered.

In addition, Thales may initiate any of the procedures set out in Section 6.12 (*Intentions following the Offer being declared unconditional*) and Section 6.15 (*Possible post-Settlement Restructuring and future legal structure*) of the Offer Document.

### **Squeeze-out Procedure**

If, following the Settlement Date or the settlement of the Shares tendered during the Post-Closing Acceptance Period, Thales and its affiliates hold at least 95% of the issued share capital of Gemalto, Thales intends to commence a compulsory acquisition procedure in accordance with article 2:92a or 2:201a of the DCC or the takeover buy-out procedure in accordance with article 2:359c of the DCC to buy out the Shareholders that have not tendered their Shares into the Offer.

### **Post-Settlement restructuring measures**

Shareholders who intend not to tender their Shares into the Offer should carefully review Section 6.11 (*Implications of the Offer being declared unconditional*) up to and including Section 6.15 (*Possible post-Settlement Restructuring and future legal structure*) of the Offer Document which describe certain implications to which such Shareholders will be subject if the Offer is declared unconditional and settled. These risks are in addition to the exposure of such Shareholders to the risks inherent to the business of Gemalto, as such business and the structure of Gemalto may change from time to time after the Settlement Date.

If the Offer is declared unconditional, Thales may effect or cause to effect any restructuring of the Gemalto Group for the purpose of acquiring 100% of the Shares, delisting Gemalto, and fully integrating the respective businesses of Thales and Gemalto and realise the operational, commercial, organisational, financial and tax benefits of the combination in accordance with the merger rules and the applicable laws, even though some of which may have the (side) effect of diluting the interest of any remaining minority Shareholders.

### **Announcements**

Any further announcements in relation to the Offer will be issued by press release. Any joint press release issued by Thales and Gemalto will be made available on the websites of Thales ([www.thalesgroup.com/en/investors](http://www.thalesgroup.com/en/investors)) and Gemalto ([www.gemalto.com/investors](http://www.gemalto.com/investors)).

### **Offer Document, Position Statement and further information**

The Offer will be made on the terms and subject to the conditions and restrictions contained in the Offer Document, dated 27 March 2018, which is available as of today. In addition, as of today, Thales and Gemalto have made available a French summary of the Offer Document and Gemalto has made available the Position Statement, containing the information required by Article 18, paragraph 2 and Annex G of the Decree in connection with the Offer.

This announcement contains selected, condensed information regarding the Offer and does not replace the Offer Document and/or the Position Statement. The information in this announcement is not complete and additional information is contained in the Offer Document and the Position Statement.

Shareholders are advised to review the Offer Document and the Position Statement in detail and to seek independent advice where appropriate in order to reach a reasoned judgment in respect of the Offer and the content of the Offer Document and the Position Statement. In addition, shareholders may wish to consult with their tax advisors regarding the tax consequences of tendering their Shares into the Offer.

Digital copies of the Offer Document and its French summary are available on the website of Thales at [www.thales.com](http://www.thales.com) and the website of Gemalto at [www.gemalto.com](http://www.gemalto.com). Such websites do not constitute a part of, and are not included or referred to in, the Offer Document. Copies of the Offer Document are also available free of charge from the Settlement Agent for Ordinary Shares, ADS Tender Agent, the Information Agent for Ordinary Shares and the U.S. Information Agent for ADSs at the addresses mentioned below.

The Settlement Agent for Ordinary Shares:

**ING BANK N.V.**

Address: Bijlmerplein 888, 1102 MG Amsterdam, The Netherlands

Telephone: +31 20 56 36 619

E-mail: [iss.pas@ing.nl](mailto:iss.pas@ing.nl)

The ADS Tender Agent:

**AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC**

Address: 6201 15th Avenue, Brooklyn, New York, 11219, United States

Telephone: +1 (877) 248 6417

E-mail: [dapisa@astfinancial.com](mailto:dapisa@astfinancial.com)

The Information Agent for Ordinary Shares:

**IPREO**

Address: 10, rue du Colisée, 75008 Paris, France

Telephone: +33 (0)1 79 73 12 12

E-mail: [Thales-Gemalto@ipreo.com](mailto:Thales-Gemalto@ipreo.com)

The U.S. Information Agent for ADSs:

**D.F. KING & CO., INC**

Address: 48 Wall Street, 22nd Floor, New York, New York, 10005, United States

Telephone: +1 (877) 536 1556

Email: [GTO@dfking.com](mailto:GTO@dfking.com)

**Transaction advisors**

In connection with the transaction, Thales's financial advisors are Lazard, Messier Maris & Associés and Société Générale and its legal counsel are Cleary Gottlieb Steen & Hamilton LLP and NautaDutilh N.V.

Gemalto's financial advisors are Deutsche Bank and J.P. Morgan and its legal counsel are Allen & Overy LLP and Darrois Villey Maillot Brochier.

### **Notice to U.S. holders of Gemalto Shares**

The Offer will be made for the securities of Gemalto, a public limited liability company incorporated under Dutch Law, and is subject to Dutch disclosure and procedural requirements, which are different from those of the United States of America. The Offer will be made in the United States of America in compliance with Section 14(e) of the U.S. Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act"), and the applicable rules and regulations promulgated thereunder, including Regulation 14E (subject to any exemptions or relief therefrom, if applicable) and otherwise in accordance with the requirements of Dutch law. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to the Offer timetable, settlement procedures, withdrawal, waiver of conditions and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and laws.

The receipt of cash pursuant to the Offer by a U.S. holder of Gemalto Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of Gemalto shares is urged to consult his independent professional advisor immediately regarding the tax consequences of accepting the Offer.

To the extent permissible under applicable laws and regulations, including Rule 14e-5 under the U.S. Exchange Act, and in accordance with normal Dutch practice, Thales and its affiliates or its broker and its broker's affiliates (acting as agents or on behalf of Thales or its affiliates, as applicable) may from time to time after the date of the joint press release by Thales and Gemalto dated 17 December 2017, and other than pursuant to the Offer, directly or indirectly purchase, or arrange to purchase Shares or any securities that are convertible into, exchangeable for or exercisable for such Shares. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. In no event will any such purchases be made for a price per Share that is greater than the Offer Price. To the extent information about such purchases or arrangements to purchase is made public in The Netherlands, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of Gemalto of such information. No purchases will be made outside of the Offer in the United States of America by or on behalf of the Thales or its affiliates. In addition, the financial advisors to Thales may also engage in ordinary course trading activities in securities of Gemalto, which may include purchases or arrangements to purchase such securities. To the extent required in The Netherlands, any information about such purchases will be announced by press release in accordance with Section 5 paragraph 4 or Section 13 of the Dutch decree on public takeover bids (*Besluit openbare biedingen Wft*) and posted on the website of Thales at [www.thalesgroup.com](http://www.thalesgroup.com).

### **Restrictions**

The distribution of this press release may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. To the fullest extent permitted by applicable law, Thales and Gemalto disclaim any responsibility or liability for the violation of any such restrictions by any person. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Neither Thales, nor Gemalto, nor any of their advisors assumes any responsibility for any violation by any of these restrictions. Any Gemalto shareholder who is in any doubt as to his position should consult an appropriate professional advisor without delay.

**Forward Looking Statements**

This press release may include "forward-looking statements" and language indicating trends, such as the words "anticipate", "expect", "approximate", "believe", "could", "should", "will", "intend", "may", "potential" and other similar expressions. These forward-looking statements are only based upon currently available information and speak only as of the date of this press release. Such forward-looking statements are based upon management's current expectations and are subject to a significant business, economic and competitive risks, uncertainties and contingencies, many of which are unknown and many of which Thales and Gemalto are unable to predict or control. Such factors may cause Thales and/or Gemalto's actual results, performance or plans with respect to the transaction between Thales and Gemalto to differ materially from any future results, performance or plans expressed or implied by such forward-looking statements. Neither Thales nor Gemalto, nor any of their advisors accepts any responsibility for any financial information contained in this press release relating to the business or operations or results or financial condition of the other or their respective groups. We expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.