

Gemalto reports first quarter 2012 revenue

- Revenue up by 9% at constant exchange rates, growing in all segments
- Mobile Communication expands by 11%, with the deployment of new mobile services
- Security and Secure Transactions continue to take advantage of their strong market drivers

Revenue figures in this document are for ongoing operations¹ and variations are at constant exchange rates except where otherwise noted. Revenue figures including contribution of assets held for sale and variations at historical rates are provided in the appendix of this document. All figures presented in this press release are unaudited.

Amsterdam, April 26, 2012 - Gemalto (Euronext NL0000400653 - GTO), the world leader in digital security today announced its revenue for the first quarter of 2012.

Revenue from ongoing operations¹

Ongoing operations (€ in millions)	Mobile Communication	Machine-to- Machine	Secure Transactions	Security	Patents	Total first quarter 2012	Total first quarter 2011
Revenue	235	44	129	75	0	483	439
Year-on-year variations at constant exchange rates	+11%	+0%	+6%	+14%	ns	+9%	

Olivier Piou, Chief Executive Officer, commented: “Gemalto delivers a record first quarter. Our extensive international presence enabled us to capture growth in the most dynamic regions. Our Mobile Communication offers are enjoying strong success in the market, Security continues its rapid expansion, led by broad adoption of eGovernment programs, and Secure Transactions further improves its performance, on top of the strong acceleration recorded last year. We are well positioned in promising markets and continue along our transformation and expansion strategy. With this good start, we reaffirm our outlook for 2012 and our target of €300 million profit from operations for 2013.”

¹ See basis of preparation on page 2, and appendix 3 of this document for more information on ongoing operations

Basis of preparation of financial information

Ongoing operations

For a better understanding of the current and future year-on-year evolution of the business, the Company provides revenue from “Ongoing operations” for both 2012 and 2011 reporting periods.

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.

In this publication reported figures for Ongoing operations only differ from figures for all operations by the contribution from assets held for sale, which is detailed in Appendix 3.

Compared to revenue reported on the first quarter of 2011, 2011 revenue from Ongoing operations reported in this publication was represented to also exclude the contribution from assets classified as held for sale in 2012.

Historical exchange rates and constant currency figures

Revenue variations are at constant exchange rates, except where otherwise noted. The Company sells its products and services in a very large number of countries and is commonly remunerated in currencies other than the Euro. Fluctuations in these other currencies exchange rates against the Euro have a translation impact on the reported Euro value of the Company revenues. Comparisons at constant exchange rates aim at eliminating the effect of currency translation movements on the analysis of the Group revenue by translating prior year revenues at the same average exchange rate as applied in the current year.

General information

In the first quarter of 2012, revenue from Ongoing operations was up +9% year-on-year at constant exchange rates. It was up +10% at historical exchange rates. Average exchange rates between the Euro and the US Dollar are detailed in Appendix 4.

Segment information

Mobile Communication

€ in millions	Q1 2012	Q1 2011
Revenue	235.2	209.6
Year-on-year variation at constant exchange rates	+11%	

Mobile communication posted double-digit revenue growth, to €235.2 million.

Product revenue grew by +12% extending the positive momentum initiated in the second part of 2011. Product mix continued to evolve positively, supported by adoption of new generations of products.

Software and Services revenue increased by +9%. Our fourth generation network (LTE) and contactless services (NFC, TSM) projects are showing good progress, in advance of commercial launches by mobile operators,

Machine-to-Machine

€ in millions	Q1 2012	Q1 2011
Revenue	43.8	43.0
Year-on-year variation at constant exchange rates	+0.3%	

The Machine-to-Machine segment posted revenue of €43.8 million, stable on last year's first quarter.

Strong revenue growth in the Americas fully compensated for lower activity in Europe.

During the quarter Gemalto sustained its investment in new products and services and its marketing efforts to support newly integrated offerings.

Secure Transactions

€ in millions	Q1 2012	Q1 2011
Revenue	128.8	121.0
Year-on-year variation at constant exchange rates	+6%	

Secure Transactions revenue was up +6%, adjusting to the global market expansion rate after the strong acceleration recorded last year.

Growth was driven by countries migrating to EMV standards and adoption of Dynamic Data Authentication (DDA) and dual interface contactless technologies. Gemalto continues to leverage its geographical presence and its renewed product and services portfolio to position itself for attractive market opportunities worldwide.

During the quarter, the momentum towards a future migration of the United States to EMV standards was reinforced by a second major payment network unveiling its roadmap for migration from magnetic stripe to EMV technology.

Security

€ in millions	Q1 2012	Q1 2011
Revenue	75.3	65.3
Year-on-year variation at constant exchange rates	+14%	

Revenue in Security grew by +14% led by a strong sales increase in Government Programs.

Record contract bookings this quarter and solid execution in both the developed and fast growing economies support the segment's performance.

Revenue from online banking security solutions contributed strongly to Identity and Access Management.

Patents

€ in millions	Q1 2012	Q1 2011
Revenue	0.3	0.1
Year-on-year variation at constant exchange rates	ns	

The activity in the Patents segment is limited due to the ongoing litigation initiated by the Company in the United States. As a result almost no revenue from patent licensing activities was recorded, like last year's first quarter.

Additional information

Gemalto, ARM and Giesecke & Devrient announced the creation of a joint venture dedicated to delivering a secure software environment (Trusted Execution Environment, or TEE) for services running on the growing range of connected devices. This notably targets user-interface security for smart-TVs, game consoles, tablets and smartphones.

The joint venture creation is subject to regulatory approval. Technology developed by the joint venture will be based on established solutions from the founding companies. All three companies will contribute assets to the new venture, including patents, software, people, cash and capital equipment. ARM will own 40% of the joint venture, with Gemalto and Giesecke & Devrient each owning 30%.

The revenue of the activities that will be contributed by Gemalto to the joint venture is not material.

Apr 3, 2012 Press release: ARM, Gemalto and Giesecke & Devrient form joint venture to deliver next-generation security for services running on connected devices.

Outlook

For the full year 2012 Gemalto expects another year of expansion in revenue and profit from operations, with all main segments increasing their 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.



Live Audio Webcast and Conference call

Gemalto first quarter 2012 revenue presentation will be webcast in English today at 3pm Paris time (2pm London time and 9am New York time).

The listen-only live audio webcast of the presentation and the Q&A session will be accessible from our Investor Relations web site:

www.gemalto.com/investors

Questions will be taken by way of conference call.

Investors and financial analysts wishing to ask questions should join the presentation by dialing:

(UK) +44 203 367 9453 or (US) +1 866 907 5923 or (FR) +33 1 7077 0940

The accompanying presentation slide set is also available for download on our Investor Relations web site.

Replays of the presentation and Q&A session will be available in webcast format on our Investor Relations web site approximately 3 hours after the conclusion of the presentation. Replays will be available for one year.

Investor Relations

Gabriel Rangoni

M.: +33(0) 6 1426 6956

gabriel.rangoni@gemalto.com

Corporate Communication

Isabelle Marand

M.: +33(0) 6 1489 1817

isabelle.marand@gemalto.com

Financial calendar

Second quarter revenue and first half 2012 earnings will be reported on Thursday **August 30, 2012**, before the opening of Euronext Paris.

Gemalto N.V. will hold its 2012 Annual General Meeting of Shareholders (AGM) on Thursday, May 24, 2012. The persons, who on April 26, 2012 (record date) hold shares in the Company and are registered as such in a register designated thereto by the Board for the AGM will be entitled to participate and vote at that meeting. This means that shareholders do not need to block their shares from the Record Date until the AGM date on May 24, 2012.

ADR (American Depositary Receipt)

Gemalto has established a sponsored Level I American Depositary Receipt (ADR) Program in the United States since November 2009. Each Gemalto ordinary share is represented by two ADRs. Gemalto's ADRs trade in U.S. dollar and give access to the voting rights and to the dividends attached to the underlying Gemalto shares. The dividends are paid to investors in U.S. dollar, after being converted into U.S. dollar by the depository bank at the prevailing rate.

Structure: Sponsored Level I ADR
Exchange: OTC
Ratio (ORD:DR): 1:2
DR ISIN: US36863N2080
DR CUSIP: 36863N 208



About Gemalto

Gemalto (Euronext NL0000400653 GTO) is the world leader in digital security with 2011 annual revenues of €2 billion and more than 10,000 employees operating out of 74 offices and 14 Research & Development centers in 43 countries.

We are at the heart of our rapidly evolving digital society. Billions of people worldwide increasingly want the freedom to communicate, travel, shop, bank, entertain and work – anytime, everywhere – in ways that are convenient, enjoyable and secure. Gemalto delivers on their expanding needs for personal mobile services, payment security, identity protection, authenticated online services, cloud computing access, eHealthcare and eGovernment services, modern transportation solutions and machine-to-machine (M2M) communication.

Gemalto develops secure software that runs on trusted devices which we design and personalize. We manage these devices, the confidential data they contain and the services they enable, throughout their life cycle. We innovate so that our clients can offer more ways of enhancing the convenience and security of their end-users' digital lives.

Gemalto is thriving with the growing number of people using its software and secure devices to interact in the digital and wireless world.

For more information visit www.gemalto.com, www.justaskgemalto.com, blog.gemalto.com, or follow @gemalto on Twitter.

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, payment and mobile commerce markets; the Company's ability to develop new technology, the effects of competing technologies and the intense competition generally encountered in the Company's main markets; profitability of expansion strategies; challenges to or loss of intellectual property rights; ability to establish and maintain trust, reputation and strategic relationships in its major businesses; ability to develop and take advantage of new software and services; the effects of acquisitions and investments, including the Company's ability to integrate acquired businesses, achieve synergies and develop activities according to expectations; and changes in the 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 any other person is 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.

Appendices

All variations in these appendices are comparing the revenue of the first quarter 2012 to the revenue of the first quarter 2011. For a better understanding of Gemalto's year-on-year business evolution, the revenue figures have been calculated for Ongoing operations, as described in the basis of preparation of this document, unless otherwise mentioned.

Appendix 1

First quarter revenue by region

Ongoing operations (€ in millions)	First quarter 2012	First quarter 2011	Year-on-year variation at constant exchange rates	Year-on-year variation at historical exchange rates
Europe, Middle-East, Africa	243	242	+1%	+1%
North and South America	144	114	+24%	+26%
Asia	96	83	+12%	+16%
Total revenue	483	439	+9%	+10%

Appendix 2

Revenue variations at constant and historical exchange rates

Ongoing operations (€ in millions)	Mobile Communication	Machine-to- Machine	Secure Transactions	Security	Patents	Total first quarter 2012	Total first quarter 2011
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Year-on-year variation at historical exchange rates	+12%	+2%	+6%	+15%	ns	+10%	

Appendix 3

Ongoing operations and total Company revenues

Revenue (€ in millions)	Ongoing operations					Total Ongoing operations	Assets held for sale	Total Gemalto
	Mobile Communication	Machine-to- Machine	Secure Transactions	Security	Patents			
First quarter 2012	235	44	129	75	0	483	2	485
First quarter 2011	210	43	121	65	0	439	20	459
First quarter 2011 as reported	214	43	121	65	0	444		

The assets held for sale comprise those that will be contributed to a joint venture under creation and other non-strategic assets currently being disposed (representing revenues of € 5 million in first quarter 2011 and € 2 million in first quarter of 2012, in Mobile Communication), as well as the assets of a Chinese joint venture whose shareholding restructuring was completed in 2011.

Appendix 4

Average exchange rates between the Euro and the US dollar

EUR/USD	2012	2011
First quarter	1.32	1.36
Second quarter		1.44
First half		1.40
Third quarter		1.44
Fourth quarter		1.37
Second half		1.41
Full year		1.40