

Gemalto first quarter 2015 revenue

- 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, with strong performance in Machine-to-Machine and in Payment
- SafeNet acquisition well received by customers

Revenue variations are at constant exchange rates except where otherwise noted.
All figures presented in this press release are unaudited.

Amsterdam, April 30, 2015 - Gemalto (Euronext NL0000400653 - GTO), the world leader in digital security today announces its revenue for the first quarter of 2015.

First quarter 2015 (€ in millions)	Total	Main segments		Main activities		Patents & Others
		Payment & Identity	Mobile	Embedded software & Products	Platforms & Services	
Revenue	686	369	316	500	185	1
Year-on-year variation at constant exchange rates	+19%	+35%	+7%	+8%	+76%	(93%)
Year-on-year variation at historical exchange rates	+29%					

Olivier Piou, Chief Executive Officer, commented: “The first quarter of 2015 leveraged the investments made, with significant expansion in our businesses. Payment continued to grow vigorously, on-going deployments confirm the improving momentum in Government Programs, and the strong expertise of the SafeNet team complements well our offering. Performance in the Mobile segment was led by excellent Machine-to-Machine growth and a solid SIM business. And we are focused on delivering a steady progression towards our 2017 objectives.”

Basis of preparation of financial information

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).

Historical exchange rates and constant currency figures

The Company sells its products and services in a very large number of countries and is commonly remunerated in other currencies than the Euro. Fluctuations in these other currencies exchange rates against the Euro have in particular a translation impact on the reported Euro value of the Company revenues. Comparisons at constant exchange rates aim at eliminating the effect of currencies 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. Revenue variations are at constant exchange rates and include the impact of currencies variation protection hedges, except where otherwise noted. All other figures in this press release are at historical exchange rates, except where otherwise noted.

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 from 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 operation (PFO) non-GAAP measure

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS).

To better assess its past and future performance, the Company also prepares an adjusted income statement where the key metric used to evaluate the business and make operating decisions over the period 2010 to 2017 is the profit from operations (PFO).

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. These items are further explained as follows:

- Amortization and depreciation of intangibles resulting from acquisitions are defined as the amortization and depreciation expenses related to the intangibles recognized as part of the allocation of the excess purchase consideration over the share of net assets acquired.
- Fair value adjustments over net assets acquired are defined as the reversal, in the income statement, of the fair value adjustments recognized as a result of a business combination, as prescribed by IFRS3R. Those adjustments are mainly associated with (i) the amortization expense related to the step-up of the acquired work-in-progress and finished goods assumed at their realizable value and (ii) the amortization of the cancelled commercial margin related to deferred revenue balance acquired
- Share-based compensation charges are defined as (i) the discount granted to employees acquiring Gemalto shares under Gemalto Employee Stock Purchase plans; (ii) the amortization of the fair value of stock options and restricted share units granted by the Board of Directors to employees, and other related costs.
- Restructuring and acquisitions-related expenses are defined as (i) restructuring expenses which are the costs incurred in connection with a restructuring as defined in accordance with the provisions of IAS 37 (e.g. sale or termination of a business, closure of a plant,...), and consequent costs; (ii) reorganization expenses defined as the costs incurred in connection with headcount reductions, consolidation of manufacturing and offices sites, as well as the rationalization and harmonization of the product and service portfolio, and the integration of IT systems, consequent to a business combination; and (iii) transaction costs (such as fees paid as part of the acquisition process).

These non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable IFRS measures and should be read only in conjunction with our consolidated financial statements prepared in accordance with IFRS.

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

EBITDA is defined as PFO plus depreciation and amortization expenses, excluding the above amortization and depreciation of intangibles resulting from acquisitions.

General information

First quarter 2015 (€ in millions)	Total	Main segments		Main activities		Patents & Others
		Payment & Identity	Mobile	Embedded software & Products	Platforms & Services	
Revenue	686	369	316	500	185	1
As a percentage of total revenue	100%	54%	46%	73%	27%	0%

For the period, Company revenue was €686 million. Revenue from the Payment & Identity segment surpassed the Mobile segment for the first time in Company history at €369 million, representing 54% of total Company revenue.

Embedded software & Products grew by +8%, with strong activity linked to Machine-to-Machine business and EMV payment cards. Platforms & Services activities posted sales of €185 million, an increase of +76% year-on-year. They represented 27% of total Company revenue. Patents & Others brought a limited €1 million contribution this quarter.

Total Company revenue of €686 million was €532 million for the first quarter 2014. Expansion came from the two main segments and from the integration of the acquired SafeNet business. On a reported basis, total revenue grew by +29% at historical rates, and by +19% at constant rates. The substantial strengthening of the US dollar versus Euro compared to the first quarter of 2014 and the large part of Company's US dollar denominated revenue explain the 10 percentage point difference between revenue growth at historical rates and at constant rates. Due to the large and rapid evolution of currencies during the quarter, the Company's hedging program which aims at partially neutralizing the impact of sudden currency variations on the profit from operations also had a significant impact, reducing reported revenue growth by (3) percentage points.

At constant exchange rates and on a pro forma basis (i.e. with SafeNet in both Q1'2014 and Q1'2015), total Company revenue expanded by +7% when including the impact of hedges, and when removing hedge effects for both 2014 and 2015 the Company's year-on-year total revenue growth at constant exchange rates and on a pro forma basis was +10%.

€ in millions	Total	Main segments		Main activities		Patents & Others
		Payment & Identity	Mobile	Embedded software & Products	Platforms & Services	
First quarter 2015	686	369	316	500	185	1
First quarter 2014	532	253	271	425	99	8
Year-on-year variation at historical exchange rates (including hedge)	+29%	+46%	+17%	+18%	+87%	(93%)
Year-on-year variation at constant exchange rates (including hedge)	+19%	+35%	+7%	+8%	+76%	(93%)
Pro forma year-on-year variation at constant exchange rates (with hedge)	+7%	+10%	+7%	+7%	+14%	(93%)
Pro forma year-on-year variation at constant exchange rates, excluding hedge effects	+10%	+13%	+10%	+10%	+15%	(93%)

The anticipated profit from operation net exposure to the USD variations is mostly hedged and consequently limited gains on profit from operations from currency translation effects are expected for the year.

At year-end 2014, Gemalto's cash and cash equivalents were €1,057 million including proceeds of a €400 million bond issued in September 2014 in anticipation of the closing of the SafeNet acquisition. In January, Gemalto used €727 million, net of cash acquired, for this transaction, leading to a net debt position as at the end of the first quarter. Since the Safenet acquisition closing, two private placements of €75 million each have been issued with average maturities of 8.4 and 10.2 years, and yields of 1.94% and 2.05% respectively, with no financial covenants.

Revenue variations by region, at constant and historical exchange rates, are presented in Appendix 1.

Segment information

Payment & Identity

€ in millions	First quarter 2015	First quarter 2014
Revenue	369.3	253.0
Year-on-year variation at constant exchange rates	+35%	

The Payment & Identity segment's revenue came in at €369 million, increasing by +35% compared to the previous year, with growth fueled by a strong performance in Payment and the addition of SafeNet. Embedded software and Products grew by +7% at €241 million and Platforms & Services sales more than doubled at €129 million, including SafeNet's revenue. Platforms & Services growth was +20% year-on-year on a pro forma basis.

The Payment business expanded by +18% year-on-year. The Americas posted the largest growth, 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, acquired on January 7, 2015, and from the sustained market demand for cybersecurity solutions.

Revenue from the Government Programs business was up +1% compared to the first quarter of 2014. Deployments of previously won projects started, confirming the improving dynamics for this business.

During the first quarter Gemalto announced an 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. As the acquisition closed in April, no revenue is recognized for the first quarter.

Mobile

€ in millions	First quarter 2015	First quarter 2014
Revenue	316.3	271.1
Year-on-year variation at constant exchange rates	+7%	

The Mobile segment posted revenue of €316 million, up +7% at constant exchange rates compared to the previous year.

Embedded software & Products came in at €260 million, expanding by +8% compared to the first quarter of 2014. The Machine-to-Machine business in particular 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 (IoT). The 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 such as Trusted Execution Environment (TEE), Host Card Emulation (HCE) and Tokenization for the mobile contactless ecosystem.

Patents & Others

€ in millions	First quarter 2015	First quarter 2014
Revenue	0.6	8.4
Year-on-year variation at constant exchange rates	(93%)	

The revenue generation from patent licensing and other activities is traditionally lumpy. It came in at €1 million this quarter and was €8 million during the same period in 2014.

Additional information

• Gemalto finalizes the acquisition of SafeNet

On January 7, 2015, Gemalto closed the acquisition of SafeNet, the worldwide leader in data and software protection, after approval by the relevant regulatory and antitrust authorities. SafeNet was integrated with Gemalto Payment & Identity segment and its contribution mainly consists of Platforms & Services activities.

• Gemalto acquires Trüb AG's secure document business

On February 10, 2015, Gemalto announced that it has signed a definitive agreement to acquire the secure document business from Trüb AG. Trüb has a 150 year history of secure printing. Headquartered in Aarau, Switzerland, it has been a pioneer in eco-friendly and highly secure polycarbonate technology. Today, Trüb provides identification solutions primarily to governments and banks and is a leading provider of high security identity documents. Known for its innovation capabilities, Trüb has also introduced a number of patented security features to the market. The Trüb business will reinforce Gemalto's leadership in high security identification documents and will also enable Gemalto to serve the Swiss market of financial institutions.

On a full year basis, the business is estimated to contribute to Gemalto revenues by approximately CHF 100 Million (approximately €95 million). The transaction completed on April 10, 2015 hence no contribution of the acquired business was recognized during the first quarter.

• Gemalto Releases Findings of 2014 Breach Level Index

On February 12, 2015, Gemalto released the latest findings of the Breach Level Index, revealing that more than 1,500 data breaches led to over one billion data records having been compromised worldwide during 2014. These numbers represent a +49% increase in data breaches and a +78% increase in data records that were either stolen or lost compared to 2013.

• Developments in mobile services security

Gemalto Trusted Services Hub expands secure service deployment to 350 million more mobile devices

In February 2015 Gemalto grew again the capabilities of its Allynis Trusted Services Hub that permits an easy deployment of security-sensitive applications by enterprises, banks and other digital service providers, adding the reach to more than 350 million additional mobile devices equipped with Trustonic Trusted Execution Environment (TEE), including the popular Samsung Galaxy range of smart phones and other mobile devices from major handset makers. In practice, enterprises and digital services providers connected to Gemalto's Allynis Trusted Services Hub immediately gain access to 350 million additional potential users, with Gemalto handling all the back-office processes on their behalf.

Gemalto adds new Tokenization options to Its Trusted Services Hub

In February 2015 also, Gemalto added further new key capabilities to its Allynis Trusted Services Hub for tokenization based payment services. For banks and payment service providers that look to create a seamless enrollment and mobile payment experience, Gemalto brings the most complete and integrated solution, from the mobile tokenization gateway all the way to the client-server architecture for provisioning and processing payment security.

Outlook

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

Live Audio Webcast and Conference call

Gemalto first quarter 2015 revenue presentation will be webcast in English today at 3pm Amsterdam and Paris time (2pm London time and 9am New York time).

This 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) +44 203 043 2439 or (US) +1 855 402 7762 or (FR) +33 1 7077 0941

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.

Calendar

Gemalto N.V. will hold its 2015 Annual General Meeting of Shareholders (AGM) on Thursday, May 21, 2015 at the Sheraton Amsterdam Airport Hotel & Conference Center, Schiphol Boulevard 101, 1118 BG Schiphol Airport, the Netherlands at 2:00 p.m. CET.

The first semester 2015 results will be reported on Thursday August 27, 2015, before the opening of Euronext Paris.

Stock Exchange Listing

Gemalto N.V. is dual listed on NYSE Euronext Amsterdam and Paris, in the compartment A (Large Caps).

Mnemonic:	GTO
Exchange	Dual listing on NYSE Euronext Amsterdam and Paris
Market of reference	NYSE Euronext Amsterdam
ISIN Code	NL0000400653
Reuters	GTO.AS
Bloomberg	GTO:NA

Gemalto has also established a sponsored Level I American Depository 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

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About Gemalto

Gemalto (Euronext NL0000400653 GTO) is the world leader in digital security, with 2014 annual revenues of €2.5 billion and blue-chip customers in over 180 countries.

Gemalto helps people trust one another in an increasingly connected digital world. Billions of people want better lifestyles, smarter living environments, and the freedom to communicate, shop, travel, bank, entertain and work – anytime, everywhere – in ways that are enjoyable and safe. In this fast moving mobile and digital environment, we enable companies and administrations to offer a wide range of trusted and convenient services by securing financial transactions, mobile services, public and private clouds, eHealthcare systems, access to eGovernment services, the Internet and internet-of-things and transport ticketing systems.

Gemalto's unique technology portfolio - from advanced cryptographic software embedded in a variety of familiar objects, to highly robust and scalable back-office platforms for authentication, encryption and digital credential management - is delivered by our world-class service teams. Our 14,000 employees operate out of 99 offices, 34 personalization and data centers, and 24 research and software development centers located in 46 countries.

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 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 required by applicable law or regulations.

Appendices

Appendix 1

Revenue by region

€ in millions	First quarter 2015	First quarter 2014	Year-on-year variation at constant exchange rates	Year-on-year variation at historical exchange rates
EMEA	282	258	+7%	+9%
Americas	270	158	+49%	+71%
Asia	134	117	+2%	+14%
Total revenue	686	532	+19%	+29%