First Quarter 2012 Revenue Release

Olivier Piou, CEO
Jacques Tierny, CFO
April 26, 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, 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.
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. 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.
Overview
Olivier Piou, CEO

Financials

Mobile NFC opportunity
First Quarter 2012 Highlights

- Strong first quarter with revenue of €483 million, up +9%
- Mobile Communication, up +11%, as our new mobile products and services start to be deployed worldwide
- Secure Transactions and Security continue to take advantage of their strong market drivers
Overview

Financials

Jacques Tierny, CFO

Mobile NFC opportunity
Segment key financial information

**Mobile Communication**

- Revenue
  - € 235m
  - +11%

- Expansion continues thanks to the deployment of next generation mobile services
- Projects linked to fourth generation networks (LTE) and contactless services (NFC, TSM) bolstered software and services revenue, up +9%.
- Product revenue increases +12% due to the continued positive evolution in product mix in support of these new mobile services.

**Machine-to-Machine**

- Revenue
  - € 44m
  - +0%

- Revenue is stable on the previous year’s first quarter.
- Strong revenue growth in Asia and North America fully compensated for slower activity in Europe.
- Sustained marketing efforts in support of newly integrated offerings and investments in new products and services.
Segment key financial information

Secure Transactions

- Revenue +6% € 129m

- Secure Transactions revenue, up +6%, reflects the adjustment to global market growth after the strong acceleration recorded last year.
- Growth continues to be driven by global EMV migration paired with the adoption of Dynamic Data Authentication (DDA) and dual-interface contactless technologies.
- Q1 announcement by a second major payment network contributes to positive momentum for the future migration to EMV technology in the US.

Security

- Revenue +14% € 75m

- Another quarter of double-digit growth in Security.
- Excellent execution and record level of new contract booking in Government Programs in both developed and fast-growing countries.
- Revenue from online banking security solutions contributed strongly to Identity and Access Management.
Our software expertise on secure elements is also applicable to more devices and applications.

Gemalto, ARM and Giesecke & Devrient are forming a joint venture to offer an open software-hardware security platform to provide a Trusted Execution Environment in connected devices.

**Trusted Execution Environment**
- Protects input and output and transient processing of sensitive data
- Applicable to a broad array of new connected devices

**Secure Element**
(Removable or Embedded)
- Certified tamper-resistant
- For secure storage and processing of the most valuable and sensitive data
Outlook for 2012

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.
Overview

Financials

Mobile NFC opportunity
Olivier Piou, CEO
Gemalto offers the two critical components needed to secure digital services

Secure embedded software

Embedded in products to secure access to services

Reported as “Products”

Secure management systems

Licensed/hosted to manage sensitive data on devices

Reported as “Software & Services”

These two components are synergistic and mutually drive the upgrades of each other
The two components contribute in complementary ways

A typical mobile NFC/TSM project lifetime and associated revenue inflow

- Infrastructure deployment
  - TSM Installation
  - First Products

- Service roll-out and usage
  - TSM Operation
  - Products (SIM, eSE)

- Initial software license
- Setup fees
- Software license upgrade and Maintenance fees
- Event-based Service fees

Time
- 9-18 months
- 5+ years

Software & Services
- Driven by NFC services adoption

Products
- Driven by NFC equipment penetration

Chart not to scale
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