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Basis of preparation for 2012 publications

For a better understanding of the current and future year-on-year evolution of its business, the Company prepares an adjusted income statement where the key metric used to evaluate the business and take operating decisions is the profit from operations. This adjusted income statement is provided for all operations and ongoing operations.

Adjusted income statement and Profit from operations (PFO)
Profit from operations is a non-GAAP measure defined as the IFRS operating result adjusted for the amortization and depreciation of intangibles resulting from acquisitions, 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 and General and Administrative expenses, and other income (expense) net. For the first semester 2011, it also includes the gain on re-measurement to fair value of an investment in associate, not part of the ongoing operations.

Ongoing operations
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.

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.
Overview

Olivier Piou, CEO

Financial Results

Business spotlight: Government Programs

Moving Forward
First semester 2012 Highlights

- Revenue exceeded €1 billion, first time for a first semester
- Profit from operations increased 56%, at €115 million
- The Security segment grew revenue by 19% and its profit from operations by 69%
- Mobile Communication positive momentum accelerated with 4G/LTE and mobile payment service deployments

Extracts from the adjusted income statement for ongoing operations
Mobile payment ramps up for deployment

- Gemalto announced a series of major wins during the first semester in the US, Europe, Latin-America, and Asia
  - Over 800 million mobile subscribers are addressable by TSM platforms already awarded to Gemalto

- Dynamic sector with numerous competing initiatives from internet payment service providers, handset and related OS suppliers, banks, mobile operators, and retailers
  - Their respective services are designed to coexist in consumer’s mobile devices

- Most of these initiatives already protect payment services with two-factor chip-based security
  - It provides an unmatched security-to-cost ratio
  - and enables secure payment for both mobile/online and in-store purchases
Key figures from H1 2012 financial results

Extracts from the adjusted income statement for ongoing operations

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong> at constant rates: +7%</td>
<td><strong>€1,016m</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Gross profit</strong> +21%</td>
<td><strong>€386m</strong></td>
<td>38.1%</td>
</tr>
<tr>
<td><strong>Operating expenses</strong> +10%</td>
<td><strong>€271m</strong></td>
<td>26.7%</td>
</tr>
<tr>
<td><strong>Profit from operations</strong> +56%</td>
<td><strong>€115m</strong></td>
<td>11.3%</td>
</tr>
<tr>
<td><strong>EPS</strong> +72%</td>
<td><strong>€1.17</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Growth at historical rates: +10%**

**Gross margin** +330bp

**Operating expenses** +10bp

**PFO margin** +330bp
Overview

Financial Results
Jacques Tierny, CFO

Business spotlight: Government Programs

Moving Forward
## Adjusted income statement and IFRS

<table>
<thead>
<tr>
<th></th>
<th>H1 2012</th>
<th></th>
<th>H1 2011</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ongoing operations</strong></td>
<td><strong>Reconciling items (assets held for sale)</strong></td>
<td><strong>All operations</strong></td>
<td><strong>Amortization of intangible assets</strong></td>
<td><strong>Equity based compensation</strong></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>€1,016m</td>
<td>€5m</td>
<td>€1,020m</td>
<td></td>
</tr>
<tr>
<td><strong>Profit from Operations</strong></td>
<td>€115m</td>
<td>(€3m)</td>
<td>€112m</td>
<td></td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td></td>
<td></td>
<td>(€10m)</td>
<td>(€25m)</td>
</tr>
</tbody>
</table>

**H1 2012**
- Revenue: €1,016m
- Profit from Operations: €115m
- Operating profit: €75m

**H1 2011**
- Revenue: €921m
- Profit from Operations: €74m
- Operating profit: €63m
### Mobile Communication

<table>
<thead>
<tr>
<th>Revenue</th>
<th>€476m</th>
<th>+6%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit</td>
<td>€200m</td>
<td>+26%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>42.0%</td>
<td></td>
</tr>
<tr>
<td>PFO</td>
<td>€69m</td>
<td>+114%</td>
</tr>
<tr>
<td>PFO Margin</td>
<td>+560bp</td>
<td></td>
</tr>
<tr>
<td>PFO Margin</td>
<td>14.6%</td>
<td></td>
</tr>
</tbody>
</table>

- Performance extends the positive business evolution of the segment on the back of the continued rise of LTE and additional mobile payment platform deliveries.
- Embedded software and Products revenue is up in the first semester, +5% year-on-year
- And Platforms and Services is up +13% year-on-year

### Machine-to-Machine

<table>
<thead>
<tr>
<th>Revenue</th>
<th>€91m</th>
<th>+5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit</td>
<td>€30m</td>
<td>+3%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>32.7%</td>
<td></td>
</tr>
<tr>
<td>Gross Margin</td>
<td>(160bp)</td>
<td></td>
</tr>
<tr>
<td>PFO</td>
<td>€4.6m</td>
<td>(20%)</td>
</tr>
<tr>
<td>PFO Margin</td>
<td>+710bp</td>
<td></td>
</tr>
<tr>
<td>PFO Margin</td>
<td>5.0%</td>
<td></td>
</tr>
</tbody>
</table>

- Machine-to-Machine revenue grew to €91 million, up +5% year-on-year.
- Gross profit increased to €30 million and margin settled at 33%, with exchange effects and higher impact of capitalized developments amortization
- Operating expenses increased year-on-year by +€2 million with further investments in new offers and the integration of the SensorLogic platform.
## Secure Transactions

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Gross Profit</th>
<th>Gross Margin</th>
<th>PFO</th>
<th>PFO Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>€267m</strong></td>
<td>+4%</td>
<td>€88m</td>
<td>32.8%</td>
<td>€26.7</td>
<td>+1% (50bp)</td>
</tr>
</tbody>
</table>

- Revenue growth for the first half, at +4%, was in line with current global market rate, and comes on top of the previous year’s strong segment’s performance.
- Operating expenses were stable on a sequential basis, and grew by +€10 million year-on-year, in support of several mid to long-term strategic opportunities: future EMV migrations and mobile payments in particular.
- Profit from operations increased to €27 million, representing a margin of 10%.

## Security

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Gross Profit</th>
<th>Gross Margin</th>
<th>PFO</th>
<th>PFO Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>€180m</strong></td>
<td>+19%</td>
<td>€68m</td>
<td>37.7%</td>
<td>€19.2m</td>
<td>+69% (290bp)</td>
</tr>
</tbody>
</table>

- Security revenue up +19% year-on-year, to €180 million.
- Government Programs contributed most significantly to the segment performance, and IAM continued to deliver on the increasing demand for online banking security solutions.
- Top-line growth outpaced the +€6 million increase in Operating expenses to support the activity expansion.
- Profit from operations increased by +69% year-on-year, to €19 million, representing a margin of 10.6%.
Changes in first semester contributions to PFO

Year-on-year variations of contributions to total profit from ongoing operations

€ 115 m
+56%

€ 74 m

H1 2011

Mobile Communication Machine-to-Machine Secure Transactions Security
Total Embedded software & Products Total Platforms & Services Patents H1 2012
## Key items from the cash flow statement

<table>
<thead>
<tr>
<th>€ in millions</th>
<th>H1 2012</th>
<th>H1 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash generated from operations</td>
<td>105</td>
<td>72</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>(15)</td>
<td>(33)</td>
</tr>
<tr>
<td><strong>Cash generated by operating activities</strong></td>
<td>90</td>
<td>40</td>
</tr>
<tr>
<td>Capital expenditure and acquisition of intangibles</td>
<td>(48)</td>
<td>(37)</td>
</tr>
<tr>
<td>Acquisitions and divestitures</td>
<td>(7)</td>
<td>5</td>
</tr>
<tr>
<td>Dividend and Share buy-back program</td>
<td>(57)</td>
<td>(54)</td>
</tr>
<tr>
<td><strong>Net cash, at end of the period</strong></td>
<td>300</td>
<td>186</td>
</tr>
</tbody>
</table>
Overview

Financial Results

Business spotlight: Government Programs

Olivier Piou, CEO

Moving Forward
Spotlight: Government Programs

Securing citizen identities, protecting privacy, powering modern, efficient eGovernment services

Governments need solutions that

❖ Migrate identity documents to electronic formats to reduce fraud, improve benefits efficiency and protect citizen privacy
❖ Increase convenience and reduce costs of services rendered by deploying eGovernment solutions which ensure citizens can access 24/7 to public services securely and remotely

Gemalto’s strategy

Address both developed and fast-growing economies in their modernization programs with two different approaches:

Large population countries: Focused contribution
Smaller population countries: End-to-end prime solution provider
Trusted by authorities and Governments worldwide

Over 60 references in each of
- Embedded software & Products
- Platforms & Services

Market Overview
We estimate that currently only 10% of Identity documents are electronic

Gemalto is the #1 in customer references

Our long-term contracts continues to grow +40% since the beginning of 2010
Platforms and Services
to secure identities and power eGovernments

Coesys Solutions Suite

- Enrolment
- Issuance
- National Registry
- eVerification
- eServices

Coesys eGov 2.0

Online access to public services
- Taxes and other declarations filing
- Driving License & Vehicle registration
- Healthcare eVerification & eClaims
- eVoting, etc.

Federated Identity
- Multi-browser, cross-platform secure authentication
- End-to-end PKI infrastructure

Value-added Services
- Applications also available on mobile phone and tablets
- Project, knowledge, and incident management services
From investment to consistently profitable growth

❖ Government Programs reports into the Security segment which includes
  ❖ Government Programs (2/3 of revenue in 2011)
  ❖ Identity and Access Management (1/3 of revenue in 2011)

Both activities have grown at a double-digit rate during the 2007-2011 period

❖ Over the 2012-2013 period, Security revenue is expected to continue to grow double-digit

* Outlook: For the full year 2012, the Security segment revenue and profit from operations are expected to increase year-on-year. Graphical representation for the second semester 2012 is not meant to be to scale.
Overview

Financial Results

Business spotlight: Government Programs

Moving Forward
Olivier Piou, CEO
Outlook for 2012

For the full year 2012, Gemalto now expects its profit from operations to come close to its 2013 target of €300 million, with all main segments increasing their revenue and profit, limited revenue from Patents, and less seasonality in Mobile Communication.
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