Gemalto 2014–2017
Multi-year development plan

Investor Relations - September 2013
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Basis of preparation

For a better understanding of the current and future 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 for ongoing operations.

Adjusted income statement and Profit from operations
Profit from operations (PFO) 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. Return on capital employed (ROCE) is defined as after-tax PFO divided by capital employed.

Ongoing operations
In order to improve the year-on-year evaluation of the business, 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.

Statement of financial position and cash position variations schedule
In this presentation actual and expected information related to the statement of financial position and cash position variations schedule are for all operations.

Currency exchange rates
In this presentation, expected revenue variations are at constant exchange rates, and all other figures are at historical exchange rates, except where otherwise noted.
Our new ambitions
For many years now, we have steadily grown and improved our performance.

2006: Operating income - 2009, 2012: Profit from operations

2006
Creation of Gemalto
60

2009
First objective: 10% profit margin in 2009
170

2012
Second objective: €300m profit from operations in 2013
305
So without further ado, let’s look at our next ambition…
We will double our PFO by 2017
and...
We will generate 1 billion in Platforms & Services revenue by 2017, 2.5x from 2012.
So, these are our two new objectives:

- **600 million** in profit from operations
- **1 billion** in revenue from Platforms & Services

Target Company profit from operations and contribution from Platforms & Services activities, in Euros, by 2017.
How?
Because the digital age is ready to evolve beyond its current state

It now needs trust

Our ambition is to enable that trust
Leveraging two strong assets
Our technology

Trust is founded on reliable identities

Our technology to secure digital identities and access services has proven to be an

Unmatched combination of security, scalability and cost efficiency

Our market neutrality

Our customers want to preserve a direct relationship with their billions of end-users

To make their interactions trusted, our approach is clear

We operate behind the scenes and under the hood
Digital identities are unique and precious. They are the foundation of trust and must be protected from theft and alteration.
because to access digital services, the model is always the same

End-users...  ...“show” their digital ID  ...to the service provider
This structural market need + Our unique assets will generate double-digit revenue growth
This growth will be balanced between our activities
Expected contribution to incremental revenue from 2013 to 2017, by activity.

**Embedded software & Products**

~50% of total 2013–2017 revenue growth

**Platforms & Services**

~50% of total 2013–2017 revenue growth
Further transforming our operating model
Revenue mix

- Lower proportion of hardware
- More platform usage and users
- Richer embedded software

Scale effect

- Replication of projects and higher infrastructure utilization
- Wider distribution of products
- Better absorption of G&A
All leading to solid financial improvement
Mix & Scale

Growth
- Low double-digit revenue CAGR

Gross margin evolving favorably
- Controlled Opex rate

Expected improvement in profit from operations from 2012 (actual) to 2017 (target), with expected contributions by source effect
How do our different businesses contribute?
Traditionally, our customers span 5 sectors where the need for strong identity is already established.
Addressed with similar core technologies creating internal synergies

Sources: GSMA, Gemalto, FDIC.gov, European Central Bank, United Nations, US Census Bureau, Eurostat SBS
These sectors still have large penetration potential

Personal mobile subscriptions

Chip-based payment

Citizen eDocuments

Enterprise cloud authentication

Connected machines

Weighted Average market penetration in 2012

Products: Average replacement cycle: 2 years
Services: Typical contract duration: 3-5 years

Source: GSMA, EMVCo, National Gold Card Foundation, Nilson Report, ABI Research, Gartner, Ericsson, Gemalto
Beyond our traditional markets something else is also happening...
The strong identity market is preparing for a large expansion, touching more industries.
Secure devices can carry **one ID**

Secure devices can carry **many IDs**

This perfect balance of affordability, security and convenience generates new usages for our technology.
This evolution makes our unique position on the two end-points of the trust chain even more valuable.
the Client

To protect IDs

World’s #1

Embedded software & Products
protecting unique digital identities that represent people on global digital networks against theft and misuse

the Back-end

To manage IDs and validate access

World’s #1

Platforms & Services
giving people strong digital identities and checking them when they access connected services
and creates diversified growth engines
Expected 2013-2017 revenue CAGR per activity and business

- **Embedded software & Products**
  - High single-digit
  - Mid single-digit

- **Platforms & Services**
  - Mid teens
  - Low twenties

**Mobile**
- Mobile Communication
- Machine-to-Machine

**Payment & Identity**
- Electronic payment
- eGovernment
- Enterprise security
Made up of **10 opportunities** spread across sectors and activities

Each of the contributions is significant to the planned global improvement

**Double-digit**

2012 – 2017 revenue CAGR

Chart not to scale (€ in million)
Which we will present hereafter…
Mobile
Market drivers

- Always more mobile connections
- Creation of a worldwide trust infrastructure
Growth snapshot

Each of the four contributions is significant to the planned global improvement

Opportunity #1: SIM, other secure clients
Opportunity #2: M2M modules, MIM
Opportunity #3: Trust infrastructure
Opportunity #4: Core services

High single-digit

2013–2017 revenue CAGR

Chart not to scale (€ in million)
The growing number of individual mobile subscriptions, network upgrades, and over-the-top service security needs…

…grow our SIM and other secure clients’ business
Larger volumes

High single-digit market CAGR* 2012 2017

Technological upgrades

• Accelerating renewal cycles and highest security requirements for multi-tenant SIM
• Inclusion of LTE network related applications

Economics of scale

• Combination of lower costs from supplier subsidies, productivity gains and better absorption of development costs all lead to a reduction in selling price over the life of a given product

* Embedded secure elements (eSE) that may be used to secure over-the-top services

Mid single-digit expected revenue CAGR 2013–2017

*Sources: Gartner, Informa, ABI Research, Infineon, Gemalto - Expected revenue CAGR over 2013-2017 in the SIM and other secure clients business
Upgrades to new generation of SIMs

Service upgrade program:
- Launched in or before 2012
- Planned for 2013 – 2014 or in trial

More multi-tenant and LTE SIMs\(^1\)

2012 <5%  2017 40%

Sources: 4G Americas.org, Informa, SIM Alliance, Gemalto - \(^1\)as part of all SIMs sold in developed markets
The proliferation of smartphones, tablets and computers performing valuable transactions also grows…

our Trusted Service Management business
At the heart of a new global trust infrastructure which permits all actors to remain independent and keep control of their own and users’ data.

It has been designed to secure online and mobile services by standardization bodies representing most of the payment, telecom and transport industries and it ensures maximum interoperability with existing systems.
All enabled by Gemalto solutions
Its deployment has started

- ~140m Multi-tenant secure clients on the field in 2012
- 1.5bn Users covered by contracted TSMs
- ~25% of smartphones shipped can interface through NFC

The potential is massive

x10 Growth in number of multi-tenant secure clients by 2017

5bn Service accesses secured in 10 years

Sources: Gemalto, Gartner, Informa, public subscriber data - Non-comprehensive list of mobile operators and handset manufacturers
Increased usage of mobiles, network upgrades, also benefit our core Platforms & Services
Through growth and margin improvement

Secure data administration and messaging

- With >300 MNOs served, 100 in full hosted/operated mode
- Gemalto OTA services provide a reliable backbone for configuration, activation & management of devices and data.

Operator billing

- With >200 operators connected globally
- We provide global services for mobile operator billing of digital goods

Growing proportion of managed services and software-house contracts

Geographic expansion. Development of synergies with other activities

2013 - 2017

2013 - 2017
Beyond mobile phones, all sorts of industrial and consumer equipment are also connecting to mobile networks.
We enable connected industrial equipment on mobile networks

Double-digit CAGR

Market growth driven by Automotive, Energy & Health verticals

M2M module and MIM market size (€ in million)

Our customers lead their markets

Source: Berg Insight, Beecham and Gemalto Market Research. MIM is the standard name for M2M-dedicated SIMs
Connectivity management is needed for the M2M market to flourish

Example for the automotive industry

The manufacturer pays for the subscription, which is downloaded into the vehicle to enable connectivity and other value-added services

Gemalto is ideally positioned to address this market

Already protecting subscriptions for 95% of the top 100 MNOs in the world

Leading market share in secure remote administration with 200 classic OTA platforms and 1.3 billion subs under management

Sources: Gemalto
An initiative to provide an open mobile wallet platform on mobile phones for multiple NFC use cases

Gemalto provides the solution where:

• Banks and other service providers can provide banking-grade security for mobile payment services.

• A central Supervisor TSM common to Isis partners and Service Provider TSMs manage end-users confidential data protected by the secure elements present in mobile phones.

• The platform architecture is robust and scalable with high availability and redundancy from data centers certified by Visa, MasterCard, and American Express.
Payment & Identity
Growth snapshot
Payment & Identity

Each of the six contributions is significant to the global improvement

Opportunity #5
Electronic payment cards

Opportunity #6
Online access clients

Opportunity #7
eGov documents

Opportunity #8
Payment platforms & services

Opportunity #9
Online access services

Opportunity #10
eGov platforms & services

Mid teens
2013-2017 revenue CAGR

Expected Payment & Identity revenue CAGR and opportunity contributions

Chart not to scale
Market drivers for Payment

• Increased adoption of Chip & PIN worldwide
• Revolutionizing payment through mobile
Digital payment is on its way to becoming the globally preferred payment method

Mobile payment
Growing 12x faster than card payment from 2008–2012

Card payment
Growing 3x faster than total consumer spending* from 2003–2012¹

Retail purchases¹

$160bn
Mobile payment²

$10tn
Purchases made with card¹

$30tn
Retail purchases¹

* personal consumption expenditure (PCE). Sources: ¹ Moody’s Analytics, Euromonitor International Merchant Segment Study 2012, ² Gartner
Gemalto secures
digital payment transactions
Electronic payment card deployments continue on a global scale

Electronic payment deployment:
- Electronic payment cards in deployment or migration initiated
- Electronic payment cards widely deployed

+170%
growth in annual volume by 2017

Sources: Smart Payment Alliance, Gemalto
With two additional economic superpowers migrating

Clear mandate has been issued in both countries: the race is on

Payment cards:
- Electronic payment cards
- All payment cards

Steady progression

Sources: Nilson Report, National Gold Card Foundation, EMVCo

Opportunity #5

It typically takes 5–6 years to cover the majority of the market in a given country
For a better shopping experience, payment methods multiply and adapt.

Before: In stores
Now: In stores, online, peer-to-peer

Leading to many more payment credentials to be secured:

9bn Card-based payment accounts\(^1\) \times 3 Devices per person\(^2\) = 27bn payment credentials to potentially issue and manage over a very long period of co-existence.

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\(^1\) Nilson Report, National Gold Card Foundation, EMVCo, \(^2\) Cisco VNI
Banks are already enabling contactless to create a homogeneous in-store payment experience across devices.

Evolution of shipments of dual-interface cards among all chip cards between 2012 and 2017:

- 20% in 2012
- 50% in 2017

NFC projects initiated worldwide:
- 218

NFC mobile phones already sold:
- 200m

NFC-ready POS terminals:
- 4m in 2012
- 43m in 2017

Sources:
1 SPA, Gemalto estimates
2 press releases,
3 ABI research, 4 Berg Insight
Everyone has a good reason to support mobile payment, in various forms…
Enablers

Payment players

Card networks, Banks
- Convert cash to electronic
- Extend EMV to mobile and online

Alternative Payment services
- Monetize payment service directly or indirectly
- Close loop networks or EMV implemented with value add services

Merchants

Consortium, individual
- Lower payment service cost, increase loyalty and traffic
- Closed loop networks or EMV complemented by more targeted rewards

Enablers

MNOs, device makers
- Increase client loyalty/device upgrades
- Monetize device usage/security

All served by Gemalto because…

Mobile payment platform
Service Provider
Trusted Service Manager
Mobile Marketing

Supervisor (SEI)
Trusted Service Manager
Secure clients
...because fraud loves money

and Gemalto technology has proven it can lead to unmatched efficiency

For a few Euros per user per year

99.999% safe transactions

Beyond electronic card-based payment, we make the most of this know-how to secure all new payment methods

Source: ¹ Face-to-face domestic fraud rate in France, 2012 Banque de France, Face-to-face domestic fraud rate in UK, 2012 UK Cards Association
Mexico has outpaced the US and moved to more secure EMV payment cards, however 73%\(^1\) of the population in Mexico is unbanked. Noting that mobile phone penetration is 87%\(^2\), Banamex wanted to offer a way for existing customers to interact with unbanked friends, family and environment while extending services to the unbanked. Transfer allows customers to:
- Send money P2P
- Deposit cash into an account
- Withdraw cash from an ATM
- Pay a merchant directly

All with the convenience of a mobile phone and a co-branded reloadable debit card. Multi-channel approach enabled by Gemalto.

Source: \(^1\) World Bank Global Findex, \(^2\) International Telecommunication Union
Beyond payment, Gemalto secures access to online banking services
Number of people using online banking grows dramatically, security is needed

Growth in users by region and channel 2012-2017

- 2012
  - From a PC: 1.0bn
  - From a mobile: 1.0bn
- 2017
  - From a PC: 1.9bn
  - From a mobile: 3.9bn

2012 Data Breach Statistics

- 44m compromised records from 621 data breaches
- 37% of breaches affected financial organizations
- 76% of breaches exploited weak or stolen credentials

Sources: 1Gemalto estimates, 2Verizon Data Breach Investigations Report 2013
In order to safeguard access from any eBanking channel, Standard Chartered in Singapore needed a full concept solution. They chose:

• EZIO Server
  A back-end authentication server

• EZIO Display card (payment + eBanking)
  Convenient and easy-to-use form factor to deliver to customers and differentiate from competitors

200,000 Standard Chartered retail customers were equipped by Gemalto in the first month after launch
Market drivers
Identity for Enterprise

• Cloud implies digital access control
• BYOD calls for mobile security

BYOD: Bring Your Own Device
We have built a leadership position in the enterprise segment...

Following the same formula as our other businesses

Back-end authentication server
- Verifies user credentials
- Grants access to valid users

Client-side embedded software
- Carries and protects unique digital identity
- Performs local cryptographic functions

Gartner: Magic Quadrant
User Authentication 2013
### Cloud migration
Grows the authentication market by a factor of 10

#### ID as a Service
A convenient, cost-effective way for SMBs to adopt identity and access services

<table>
<thead>
<tr>
<th>Category</th>
<th>Current Users (in millions)</th>
<th>Potential Users (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small &amp; Medium Business</td>
<td>~300m</td>
<td>1 million users in 2012</td>
</tr>
<tr>
<td></td>
<td></td>
<td>50 million users in 2022</td>
</tr>
<tr>
<td>Large Enterprises</td>
<td>~30m</td>
<td>8 million users in 2012</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11 million users in 2022</td>
</tr>
</tbody>
</table>

Sources: Figures based on US and EU; US Census SUSB, Eurostat, Gemalto

5 September 2013

Gemalto Multi-year Development Plan 5 September 2013
Bring your own device (BYOD)

New headaches and an opportunity for IT managers everywhere

80% of smartphones and 67% of tablets used for work are employee-owned

Headache 1: Hostile client environment
276,259, +614% YoY, mobile malware apps in Q1 2013

Headache 2: Heterogeneous device population
Fragmentation in client population and lack of hardware refresh control

Opportunity: Ubiquitous authentication tool
Device securely stores multiple IDs and performs strong authentication functions

We will leverage our expertise in mobile to offer comprehensive identity solutions so CIOs can make the most of BYOD

Sources: ¹McKinsey & Co., ²Juniper MTR, ³Net Applications
Exostar sought to increase access security to the company’s cloud-based Identity Hubs for aerospace and life sciences communities

Gemalto provides the solution with:

- **OTP capability**
  Exostar’s existing authentication options are augmented by adding one-time password (OTP) products

- **Platform**
  The platform provides the authentication engine, a self-service user portal and an administrator portal to enable Exostar to program, provision, and support OTP.

These tools enable Exostar’s customers to reduce risk, improve agility and collaborate securely throughout their respective communities
Market drivers
Identity for citizens

• The worldwide conversion from paper identity documents to eDocuments continues
• Governments implement services that leverage the installed-base of eDocuments
Market potential for e-Identity documents remains massive

**eID**
Government-issued digital identities in electronic documents

<table>
<thead>
<tr>
<th>Year</th>
<th>Penetration of ePassports</th>
<th>Penetration of other Government-issued credentials</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>40% 0.7bn</td>
<td>10% 2.7bn</td>
</tr>
<tr>
<td>2017</td>
<td>53% 2.7bn</td>
<td>34% 2.7bn</td>
</tr>
</tbody>
</table>

Sources: ICAO, ABI Research

**Mobile ID**
Government-issued digital identities pave the way for future usage in mobile devices

Over 20 ongoing mobile ID projects
Growing eDoc installed-base enables more Platforms & Services business

Beyond citizen enrollment and Issuance

New
Usage of eDocuments
Applications using an eDocument to enable trusted and convenient services

New
Lifecycle management
Download or modify additional credentials in the field

Automated Border Management
Passengers with biometric passports skip the line
Border verification systems authenticate the ePassport and passenger

Reducing the headache of travel and improving border security

eVisa management
Digital visas issued and managed with a software platform

Electronic Visa
Ghana’s current infrastructure is being stretched by the strong rise in immigration over the last five years, so the Ghanaian government has launched an ambitious, multi-faceted modernization program.

24 million inhabitants

Automated Fingerprint Identification System (AFIS)
- Capture, storage, and processing of biometric data, system will be integrated with other international databases like APIS and Interpol

Visa management
- Online registration portal for visa and permit applications
- Application processing and issuance of digital visas and permits

Border management
- Comprehensive solution to monitor the flow of migrants and tourists from all entry and exit points via fixed and mobile management systems

Gemalto is the prime contractor and implements the complete platforms and services solution
This business is reference-driven, and we have more than anyone else

80+

eDocument references

Sources: Gemalto

Travel  Traffic  Healthcare  Identity
Turning opportunities into shareholder value
First, let’s have a quick look at what we did during the previous plan
We have steadily improved ROCE

+200 bps

From 15% in 2009 to 17% in 2012

Return On Capital Employed: (Non GAAP measure)
+200bps from 11% to 13% for IFRS-based ROCE

and organic growth has accelerated

Year-on-year growth* at constant currency rates

*Excluding the net impact of year-on-year changes in perimeter (acquisitions and divestments) – 2013 illustrative based on current outlook
Our sources of growth have diversified through a rebalanced portfolio of offers and customers.

<table>
<thead>
<tr>
<th>Year</th>
<th>Contribution as a % of total revenue growth over 2010–2012</th>
<th>2009</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1560</td>
<td>2236</td>
</tr>
</tbody>
</table>

-900 bps in Gemalto share price volatility compared to Eurostoxx Technology Index.

We provided direct return to shareholders on top of share price while continuing to invest

- **Reliable dividend payment**
  - +36%
  - 2010 to 2013

- **Reduction in potential impact from dilutive instruments**
  - 12% to 1%
  - 2006 to 2012

- **Average total capex over 2010–2012**
  - 5%

- **Net expenditure for acquisitions and divestments over 2010–2012**
  - 284m

*Potentially dilutive instruments (options, RSUs) as a percentage of total share capital*
Over the next four years, we will continue our development…

…and with the same sound business practices
Growing from a sufficiently numerous set of drivers on both the client-side and back-end
Growth recap in Embedded software & Products

Expected 2013-2017 revenue CAGR and expected contribution to the total revenue growth

- Mid single-digit growth
- 2013–2017 revenue CAGR

SIM, other secure clients
M2M
Payment cards
Online access clients
eGov documents

~50% of total Gemalto growth

1835
2012
2017

Chart not to scale
Growth recap in Platforms & Services

Expected 2013-2017 revenue CAGR and expected contribution to the total revenue growth

Low twenties

2013–2017 revenue CAGR

~50% of total Gemalto growth

Chart not to scale
Leveraging expensed investments of the previous plan and keeping strict control on operating expenses…
...to improve financial results in both activities

Expected variations in revenue, gross margins and opex between 2012 and 2017

- **Embedded software & Products**
  - Revenue (Rev): Mid single-digit CAGR
  - Gross Margin (GM): Largely stable
  - Operating expenses (Opex): Mid single-digit CAGR
  - Profit before operating costs (PFO):

- **Platforms & Services**
  - Revenue (Rev): Low twenties CAGR
  - Gross Margin (GM): Slightly up
  - Operating expenses (Opex): Low teens CAGR
  - Profit before operating costs (PFO):

- Deployment of technologies which are already mostly developed (Mobile Communication, Identity)
- Local presence already reinforced for future geographic expansion (Payment)
- Contracts already secured that will see an increase in users and usage
- Offering already mature. Replication of sales in hosted mode and loading of datacenters

Charts not to scale
We will continue to follow a clear policy for allocation of cash flows
With a similar pattern

Each of the three allocations of generated cash flow is significant

Operating cash flow generated by 2017

Capital expenditure

Bolt-on acquisitions

Dividend, share buy-back

Cash available in 2012

Chart not to scale
Allocations to capital expenditures

Property, plant, equipment

- An increasing share of tangible capex investments go to datacenters (we rent the facilities space but have to comply with specific certifications)
- Focus on leveraging our existing global footprint

\approx 2.5\% \text{ of sales}

Capitalized R&D and intangibles

- We have to capitalize some R&D as per IFRS
- Most of the increase observed in the last plan relates to the acquisition of Cinterion and the ongoing M2M activity

\approx 2.5\% \text{ of sales}
We will continue to do bolt-on acquisitions

We typically evaluate two types of bolt-on acquisitions:

- **Technology**
  Innovative new technologies and adjacent technology bricks that complement our existing portfolio

- **Market reach**
  Gain better access to customers or enter attractive new markets

**Purchased acquisitions**
We will continue our cash return to shareholders.

Annual dividend: stable or growing

Share buy-back complement
So, over this new plan, our objective is to continue delivering strong financial performance and value for our shareholders.
A new phase of development
Actually, with this new plan, we are pursuing our development
2006 – 2009

Build foundations

- Establish clear leadership in historical smart card markets
- Reallocate resources to develop data management and to serve adjacent sectors

2010 – 2013

Prove offer value and Expand skills

- Extend Platforms & Services through organic growth and targeted acquisitions
- Reinforce leadership in securing transactions, identities and access rights

2014 – 2017

Enable trust

- Become the trusted services management provider of choice for the digital world
- Develop a mix of platforms & services offers supported by the relevant secure products and software clients
For this new phase, we also made reasonable assumptions.
Base case assumptions

- No major economic slowdown
- No structural changes in relative values of currencies
- EMV, multi-tenant SIM and eDocument market penetration continues to grow
- Progressive ramp-up of users and usage of our platforms
- No supply shortages that help pricing environment

Potential accelerators

- Exceptional security incident raising global urgency
- Drastic increase in usage of strong authentication for cloud and internet access security
- Race to multi-tenant deployments
- Accelerated adoption of TSM-based security in mobile devices for and beyond payment
- Accelerated adoption of mobile connectivity in the industrial sector
In order to deliver this plan, we are leveraging several other strong assets.
Customer satisfaction

Latest Tell Me Customer survey results

World-class against surveyed companies across all industry sectors

Source: WHY Consulting Index - 2012

Employee engagement

Global satisfaction results with 78% of all employees responding

PeopleQuest employees’ satisfaction survey
Leader in research...

...and development

<table>
<thead>
<tr>
<th>Mobile Payments</th>
<th>NFC</th>
<th>Best contribution to R&amp;D</th>
<th>Safety &amp; security in IT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Future Mobile Awards</td>
<td>Future Mobile Awards</td>
<td>LTE Summit</td>
<td>Computerworld</td>
</tr>
<tr>
<td>Juniper Research</td>
<td>Juniper Research</td>
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</tr>
<tr>
<td>Financial Industry Solution China</td>
<td>Excellent Products</td>
<td>Mobile Ticketing</td>
<td>M-Commerce Future Mobile Awards</td>
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<td>China</td>
<td>PayNews, China</td>
<td>Juniper Research</td>
<td>Juniper Research</td>
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<tr>
<td>Security innovation</td>
<td>Smart Grid excellence</td>
<td>Best innovator A.T. Kearney</td>
<td></td>
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<tr>
<td>Cloud Awards</td>
<td>TMC</td>
<td></td>
<td></td>
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<tr>
<td>Innovation efficiency</td>
<td>BearingPoint</td>
<td>Secure cloud computing</td>
<td>Best enabling technology</td>
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<td></td>
<td></td>
<td>Cartes</td>
<td>LTE Summit</td>
</tr>
</tbody>
</table>
Firmly engaged in open, interoperable ecosystems and partnerships

**Contribute**
- Lend technology expertise to standards organizations
- Offer leadership in industry work groups to tackle pressing industry-wide issues

**Collaborate**
- Share technologies needed by the ecosystem using a FRAND patent licensing policy
- Enable complete interoperability to reduce vendor-specific dependencies

**Commercialize**
- Leverage international footprint for wider proliferation of secure technologies
- Build indirect sales channel to distribute product and technology knowledge globally

Because the promise of a secure digital world extends far beyond Gemalto
Our Platforms & Services setup is scaled for our ambitions

300 customers 1.3bn subscribers managed by our platforms, already

Gemalto datacenters

- 3 continents, 25% of our client platforms
- 100+ customers with service level agreements of 99.5% to 99.99% uptime and 24x7x365 support availability
- Highest security level and disaster recovery capability
- Certified for financial transactions operations
In order to deliver this plan, our people are in place
We have prepared our teams in growing regions and businesses

Staffing for growth

Recruiting

80 nationalities over the past 3 years

42% of new employees in 2012 work in P&S activities\(^1\)

Expertise transfer

For international growth

22% of our employees don’t work in their country of origin\(^1\)

For converging activities

8% of our employees don’t work in the same business unit as 3 years ago\(^1\)

\(^1\) for exempt employees
Employee compensation is aligned with our objectives

**Annual variable compensation**
- 65% of all exempt employees
- 2/3 on common Gemalto objectives
  - Profit
  - Revenue
  - Free cash flow
- 1/3 on own responsibilities
  - Including customer and employee satisfaction for senior management

**Long-term incentive plan**
- Share-based compensation with multi-year performance and presence vesting conditions
- “All Star Program” associating all employees at all levels to Gemalto success
With this plan and these assets, by 2017, we want to...
deliver 600 million in profit from operations and generate 1 billion in revenue from Platforms & Services

Target Company profit from operations and contribution from Platforms & Services activities, in Euros, by 2017
And finally, when we built this plan, we have not forgotten...
to include investments with a horizon longer than the next five years

with the objective of strengthening our position in the digital security market **beyond 2017**
Gemalto
Enabling trust in the digital world

We look forward to sharing with you our progress over the next years

Thank you for your attention