

Gemalto full year 2012 results

- Record revenue at over € 2.2 billion, up +9%, and double-digit growth anticipated in 2013
- Profit from ongoing operations up +26%, surpassing the €300 million objective a year in advance
- Platforms & Services revenue up +26%, with double-digit growth in all segments

To better assess past and future performance, the income statement is presented on an adjusted basis (see page 2 “Basis of preparation of financial information”). 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 the consolidated financial statements. The reconciliation with the IFRS income statement is presented in Appendix 2. The statement of financial position is prepared in accordance with IFRS, and the cash position variation schedule is derived from the IFRS cash flow statement.

Amsterdam, March 14, 2013 - Gemalto (Euronext NL0000400653 - GTO), the world leader in digital security today announces its results for the full year 2012.

Key figures of the adjusted income statement

Ongoing operations ¹ (€ in millions)	Full year 2012	Full year 2011	Year-on-year variations	
			at historical exchange rates	at constant exchange rates
Revenue	2236	1984	+13%	+9%
Gross profit	862	745	+16%	
Operating expenses	(557)	(503)	+11%	
Profit from operations	305	241	+26%	
Profit margin	13.6%	12.2%	+1.5 ppt	

Olivier Piou, Chief Executive Officer, commented: “Gemalto achieved a milestone year, posting record results and delivering faster than planned on what we set out to do: over the past three years we grew our revenue and profit by close to 40% and 80% respectively, and kept a strong net cash position. In 2012, we also secured a large number of long-term contracts in the mobile payment and government sectors, which will bolster our profitable expansion into the future. With the growth opportunities that we see in front of us, we have reinforced the investments in our businesses, preparing to fulfill the ambitions of our next long-term development plan.”

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

Basis of preparation of financial information

In this press release, the information for the full year of both 2012 and 2011 is presented for "ongoing operations" and under the 2012 format of segment reporting unless otherwise specified

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 take operating decisions over the period 2010 to 2013 is the 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. 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.
- Share-based compensation charges are defined as (i) the discount granted to employees acquiring Gemalto shares under Gemalto Employee Stock Purchase plans; and (ii) the amortization of the fair value of stock options and restricted share units granted by the Board of Directors to employees, and the 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, Sales and Marketing, 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.

The Appendix 2 bridges the adjusted income statement to the IFRS income statement.

Ongoing operations

For a better understanding of the current and future year-on-year evolution of the business, the Company provides an adjusted income statement 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.

For the year 2012, reported figures for ongoing operations only differ from figures for all operations by the contribution from assets held for sale and the gain on sale of a subsidiary to an associate.

Compared to figures reported on the full year of 2011, figures for ongoing operations for the full year 2011 reported in this publication were re-presented to also exclude the contribution from assets classified as held for sale in 2012.

Appendix 1 bridges the adjusted income statement for ongoing operations to the adjusted income statement for all operations.

Historical exchange rates and constant currency figures

Revenue variations are at constant exchange rates, except where otherwise noted.

All other figures in this press release are at historical 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 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.

IFRS results

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

The IFRS consolidated income statement for the full year 2012 shows an operating result of €239 million for the Company, up by +30% year on year. It was €183 million for the full year 2011.

Restructuring and acquisition-related expenses were reduced to €8 million, versus €15 million for 2011. Amortization and depreciation of intangibles resulting from acquisitions also reduced to €21 million versus €25 million for 2011. Equity-based compensation charges, including a new long-term incentive plan put in place for all employees worldwide and the impact of Gemalto's share price increase, were €39 million versus €32 million for 2011.

Net profit for the full year 2012 was €201 million, up by 25% on the net profit of €161 million for the full year 2011.

Consequently, basic earnings per share were €2.41 for the reported period growing by +25% compared to €1.93 for the full year 2011. Diluted earnings per share were €2.31 increasing by +23% in comparison to €1.88 for the full year of 2011.

Adjusted financial information for all operations

In this section, the financial information is presented for all operations. In comparison to the adjusted income statement for ongoing operations, the adjusted income statement for all operations also includes:

- for 2011, the gain recognized further to the change in shareholding structure of a joint venture held for sale and the contribution from other items not related to ongoing operations.
- for 2011 and 2012, the contribution from assets held for sale, comprising those that were contributed to the joint venture announced on April 3, 2012 and created on November 30, 2012, as well as other non-strategic assets currently being disposed.

	Full year 2012		Full year 2011		Year-on-year variation at historical exchange rates
	€ in millions	As a % of revenue	€ in millions	As a % of revenue	
Revenue	2245.5		2015.4		+11%
Gross profit	864.4	38.5%	751.5	37.3%	+1.2 ppt
Operating expenses	(558.1)	(24.9%)	(515.1)	(25.6%)	+0.7 ppt
JV deconsolidation gain	0.0		19.2	1.0%	
EBITDA	381.3	17.0%	319.8	15.9%	+19%
Profit from operations	306.3	13.6%	255.6	12.7%	+20%
ongoing operations	305.0		241.4		
other operations	1.2		14.3		
Net profit	261.6	11.7%	227.7	11.3%	+15%
Earnings per share (€)					
Basic	3.14		2.73		+15%
Diluted	3.00		2.65		+13%

Revenue of the Company for all its operations reached €2.25 billion. The largest part of the growth was provided by the Mobile Communication and Security segments which generated additional revenue of €204 million. Secure Transactions and Machine-to-Machine also contributed positively to revenue growth.

Across all segments, Platforms & Services activities grew by +26%, to account for €392 million² in 2012, generating 40% of the total Company growth and further increasing their share of the Company's revenue. In the mobile payment and the government sectors substantial long-term contracts were signed and their deployments initiated.

Gross profit for the Company was up +15%, or €113 million, to €864 million. This represents a gross margin of 38.5%, higher by +1.2 percentage point on 2011. This gross profit improvement was driven by gross margin increases in the Mobile Communication and Secure Transactions segments as well as by revenue growth in Security. Globally, additional revenue came in at higher gross margin due to the greater proportion of Platforms & Services revenue and to an improved product mix, particularly in the Mobile Communication segment.

Operating expenses increased by 8% to €558 million, representing an essentially stable ratio to revenue of 25%. Expenses in operating resources grew in all segments, especially in research and development, to support project deployments and future growth opportunities. This resulted in a sequential increase in operating expenses, with €298 million for the second semester when excluding Other income.

Full year profit from all operations came in at €306 million, up a remarkable +20% on the previous year's performance that benefited from the one-time positive contribution from a gain on the re-measurement to fair value of Gemalto's investment in a Chinese JV. Driven by the positive developments in all main segments, the year-on-year positive variation in profit from ongoing operations reached +26%, settling at €305 million despite a €9 million decrease in profit from operations recorded in the Patents segment, related to ongoing litigation the Company initiated in the United States. Continuing deployments of fourth generation mobile networks, acceleration in the deployment of infrastructures enabling mobile payment services and increasing adoption of electronic identity programs supported the improvement. Platforms & Services activities contributed markedly to the profit increase through strong revenue growth and better absorption of operating costs, which had increased substantially in these activities since the beginning of the current long-term strategic plan in preparation for the strong involvement of Gemalto in mobile payment service deployments.

Financial income was a charge of €11 million for the year, lower by €1 million on 2011. Net interest income was a charge of €1 million and the foreign exchange transactions and hedging instruments re-evaluation at year-end generated a charge of €5 million. The remaining charges were mainly related to reassessment at fair value of financial liabilities. Share of profit of associates was lowered by €4 million to €2 million, as Gemalto consolidated an acquired company in which it previously had a share of interest.

Consequently, adjusted profit before income tax was €297 million, +19% higher than the €249 million recorded in 2011.

Income tax expense was €35 million, up from a €20 million charge in 2011, reflecting the anticipated increase in the effective tax rate related to the recognition of fewer deferred tax assets.

In 2012, the Company recorded no charge from discontinued operations, which accounted for a €1.6 million charge in 2011, in relation to the disposal of the Point-of-Sale activity at the end of 2010.

As a result, adjusted net profit of the Company for all operations was €262 million in 2012, a +15% increase when compared to €228 million in 2011, and adjusted net profit margin increased to 11.7%.

Basic adjusted earnings per share for all operations came in at €3.14, up 15%, and fully diluted adjusted earnings per share for all operations settled at €3.00, up 13%.

² See appendix 5

Statement of financial position and cash position variation schedule

For the full year 2012, operating activities generated a cash flow of €285 million, increasing by +35% over the €211 million generated in 2011. The increase in cash used by working capital requirements amounted to €18 million, in line with the larger volume of activity. Cash used in restructuring actions and for acquisition-related expenses was €8 million, stable on the previous year. Capital expenditure and acquisition of intangibles (net) amounted to €125 million compared to €93 million in 2011, of which €68 million was incurred for Property, Plant and Equipment versus €52 million in 2011 in relation to data centers set-up and capacity increase. Capital expenditures in 2012 also included essentially stable capitalized development costs of €36 million (€34 million in 2011) and an expenditure of €12 million for the acquisition of intangible assets for long-term usage (license) reported during the first semester.

Net impact from investing activities related to acquisitions was €73 million in 2012 after a non-material amount in 2011. This consideration relates to cash payments made for business combinations completed during the year.

Gemalto's share buy-back program used €45 million in cash in 2012 for the purchase of 868,137 shares, net of the liquidity program. As at December 31, 2012, the Company owned 3,930,523 shares, i.e. 4.47%, of its own shares in treasury. The total number of Gemalto shares issued remained unchanged, at 88,015,844 shares. Net of the shares held in treasury, 84,085,321 shares were outstanding as at December 31, 2012. The average acquisition price of the shares repurchased on the market by the Company as part of its buy-back program and held in treasury as at December 31, 2012 was €38.61.

On May 31, 2012, Gemalto paid a cash dividend of €0.31 per share in respect of the fiscal year 2011. This distribution used €26 million in cash. Other financing activities generated €14 million in cash, including €33 million of proceeds received by the Company from the exercise of stock options by employees and €16 million remitted for the repayment of borrowings.

As a result of these elements, Gemalto's cash and cash equivalents as at December 31, 2012 were €363 million. Current and non-current borrowings were reduced to €10 million from €21 million in 2011, and Gemalto's net cash position as at December 31, 2012 was €353 million, an increase of €44 million when compared with December 31, 2011.

For the year 2012, total assets grew by +12% or €293 million to €2.71 billion as at December 31, 2012, compared to €2.42 billion as at December 31, 2011, due to a balanced growth in current and non-current assets in relation to the Company's increased business activities and longer-term investments. Shareholders' equity increased by +12%, or €205 million, to €1.92 billion as at December 31, 2012 compared to €1.72 billion as at December 31, 2011. The increase was mainly the result of the positive net profit generation, which was partly offset by the 2011 dividend distribution.

Segment information

In this section, for a better understanding of Gemalto's business evolution, comments and comparisons refer to ongoing operations. Revenue variations are expressed at constant currency exchange rates unless otherwise noted.

The segments financial information for 2011 is presented pro-forma on the 2012 basis of preparation.

Segment contribution to full year 2012 results (ongoing operations)	Mobile Communication	Machine-to-Machine	Secure Transactions	Security	Patents
As a percentage of revenue	49%	9%	25%	17%	0%
As a percentage of ongoing PFO	63%	5%	20%	15%	-3%

Revenue of the Security, Secure Transactions and Machine-to-Machine segments together represented 51% of the total Company revenue, a stable proportion when compared to 2011. The share of profit from ongoing operations generated by those segments was slightly lower at 40% of the Company's profit from ongoing operation (42% in 2011) due to the strong improvement in Mobile Communication. Patents had a negative contribution to profit from ongoing operations in 2012 due to the litigation the Company initiated in the United States.

Year-on-year variations and currencies impact (€ in millions)	Mobile Communication	Machine-to-Machine	Secure Transactions	Security	Total four main segments	Patents	Total ongoing operations
Fourth Quarter							
Revenue	330	54	155	106	645	1	646
at constant rates	+9%	+11%	+7%	+15%	+9%	(88%)	+8%
at historical rates	+12%	+14%	+10%	+19%	+13%	(88%)	+12%
Second Semester							
Revenue	613	101	301	204	1219	1	1220
at constant rates	+12%	+7%	+3%	+18%	+10%	(83%)	+10%
at historical rates	+17%	+12%	+7%	+25%	+15%	(83%)	+15%
Profit from operations	124	9	36	26	195	(5)	190
at historical rates	+15%	+18%	+14%	+41%	+18%	n.m.	+13%
Full Year							
Revenue	1 090	192	568	384	2234	2	2236
at constant rates	+10%	+6%	+3%	+19%	+9%	(76%)	+9%
at historical rates	+14%	+10%	+7%	+24%	+13%	(76%)	+13%
Profit from operations	193	14	62	45	315	(10)	305
at historical rates	+37%	+2%	+8%	+52%	+30%	n.m.	+26%

During the fourth quarter of 2012, all four main segments posted strong year-on-year revenue growth. As in the earlier quarters of 2012, the evolution of foreign currency translation in Euro had a favorable impact on revenue growth. For the second semester of 2012, Gemalto's revenue growth from ongoing operations was +15% at historical rates and +10% at constant rates, another improvement on the already solid first semester performance.

In the second semester of 2012, profit from ongoing operations grew at a double-digit rate in each of the four main segments, which together recorded a +18% increase. When including the adverse impact to profit from ongoing operations of the Patents segment, the Company's profit from ongoing operations grew by +13%. Profit from ongoing operations, although consistently hedged, also benefited from a favorable impact related to foreign currency translations in Euro during the year.

Mobile Communication

	Full year 2012		Full year 2011 ³		Year-on-year variation	
	€ in millions	As a % of revenue	€ in millions	As a % of revenue	at historical exchange rates	at constant exchange rates
Revenue	1089.6		960.0		+14%	+10%
Gross profit	471.0	43.2%	390.6	40.7%	+2.5 ppt	
Operating expenses	(277.7)	(25.5%)	(250.0)	(26.0%)	+0.6 ppt	
Profit from operations	193.3	17.7%	140.6	14.6%	+3.1 ppt	

Mobile Communication recorded annual revenue of €1.09 billion, up +10% at constant rates. The double-digit increase results from strong performance in all geographical regions, in both the Embedded Software & Products and the Platforms & Services activities.

Embedded Software & Products pursued its shift to a more favorable mix of higher-end offerings and posted a +6% increase in revenue year-over-year. While the expansion of LTE coverage drove a large part of the improvement, 2012 was also marked by an increase in demand for products to support the imminent commercial launches of mobile payments services around the world.

Platforms & Services posted another excellent year with revenue up +27%, at €210 million compared to €161 million the previous year. Today, Gemalto is at a key first phase in the ramp-up of its mobile financial services business with customers actively deploying the infrastructure required to commercialize their offer. In 2012, the number of contracts covering Trusted Service Management services and Gemalto Mobile Payment Platforms continued to increase markedly and Gemalto teams dedicated significant resources to the timely and efficient delivery of integration services for the initial contracts signed in 2011 and early 2012.

The +2.5 percentage point increase in gross margin to 43% reflects the same improving trend in revenue mix observed since the second semester of 2011. It was achieved in spite of the expenses engaged to deploy mobile financial solutions. Both activities contributed to the gross margin improvement, benefiting from the deployment of new generations of products, scale effects and improved resource allocation.

Operating expenses were down slightly to 25.5% of revenue although investment expensed in the Platforms & Services activity grew steadily as a percentage of revenue as the year progressed.

Revenue growth and mix improvement drove profit margin from operations to rise considerably from 15% to 18% of segment revenue, to €193 million, illustrating the Company's ability to generate value with its strategy of early investment in promising adjacent opportunities.

³In 2011, assets contributed to the joint venture announced on April 3, 2012 and created on November 30, 2012 as well as other non-strategic assets being disposed were included in reported Mobile Communication figures. See appendix 1 for more details and reconciliation.

Machine-to-Machine

	Full year 2012		Full year 2011		Year-on-year variation	
	€ in millions	As a % of revenue	€ in millions	As a % of revenue	at historical exchange rates	at constant exchange rates
Revenue	192.2		174.3		+10%	+6%
Gross profit	63.8	33.2%	60.4	34.7%	(1.5 ppt)	
Operating expenses	(49.8)	(25.9%)	(46.7)	(26.8%)	+0.9 ppt	
Profit from operations	14.0	7.3%	13.7	7.9%	(0.6 ppt)	

Machine-to-Machine posted revenue of €192 million, an increase of +6%, driven by semester-on-semester improvement, and a remarkable performance as our industrial customers faced significant macroeconomic headwinds.

A number of new module design-in wins booked throughout the year reinforced Gemalto's position as a strategic partner to industrial customers at the forefront of connected device communication. Gemalto's expertise in a variety of connectivity technologies will continue to benefit the segment's future prospects as customers address the challenges posed by operator roadmaps aimed at repurposing legacy network capacity. Gemalto's portfolio, which spans the full range of technologies from 2G to LTE, provides its customers with a key asset to manage these future technology migrations.

The segment's gross profit was also up by +6% to €64 million, though gross margin fell slightly by 1.5 percentage points when compared to the previous year.

Operating expenses rose to €50 million essentially due to the consolidation of SensorLogic and other investments made to develop the Platforms & Services offering in this segment.

As a result, profit from operations was 2% higher than in the previous year, at €14 million.

Secure Transactions

	Full year 2012		Full year 2011		Year-on-year variation	
	€ in millions	As a % of revenue	€ in millions	As a % of revenue	at historical exchange rates	at constant exchange rates
Revenue	568.0		531.4		+7%	+3%
Gross profit	183.2	32.3%	168.2	31.7%	+0.6 ppt	
Operating expenses	(120.9)	(21.3%)	(110.5)	(20.8%)	(0.5 ppt)	
Profit from operations	62.4	11.0%	57.7	10.9%	+0.1 ppt	

Secure Transactions posted revenue of €568 million in 2012, increasing by +3% on top of the strong gains recorded in 2011 (+17%). The main drivers of growth continue to be increasing demand from developing regions, the growing success of Gemalto's dual-interface Optelio™ products in markets with high EMV penetration and the rolling out of contactless payment technology. More country migrations began to benefit the segment's financial performance towards the end of the year with revenue re-accelerating, at +7%, in the fourth quarter.

The Platforms & Services activities in this segment grew by +13%, to €115 million, driven by expansion in personalization services and the first deployments of Trusted Service Manager (TSM) infrastructures by financial institutions that aim to launch mobile payment services in the near future.

Gross profit increased by €15 million to €183 million representing a gross margin of 32%, up by 60 basis points year-on-year, as the favorable effects of technology upgrades were coupled with growing demand in developing regions.

Operating expenses increased by €10 million, or +9% year-on-year, due to investment in certain regions in preparation of future EMV migrations and to support the global mobile payment opportunity.

As a result, profit from operations increased by +8% versus previous year to €62 million.

Security

	Full year 2012		Full year 2011		Year-on-year variation	
	€ in millions	As a % of revenue	€ in millions	As a % of revenue	at historical exchange rates	at constant exchange rates
Revenue	384.0		309.9		+24%	+19%
Gross profit	142.4	37.1%	118.0	38.1%	(1.0 ppt)	
Operating expenses	(97.2)	(25.3%)	(88.2)	(28.5%)	+3.1 ppt	
Profit from operations	45.2	11.8%	29.8	9.6%	+2.2 ppt	

Security delivered another strong year with continued double-digit growth, up +19% to €384 million. Excellent project execution contributed significantly to the segment's performance and new and more comprehensive contract wins reinforced the strong backlog.

Platforms & Services revenue grew even faster, posting a +59% increase, in line with Gemalto's established strategy of addressing market demands through comprehensive solutions. It stood at €66 million in 2012.⁴

In Government Programs, 2012 further reinforced the pervasiveness of electronic identity solutions. Key projects such as the digitalization of voting procedures, the modernization of national identity programs, and deployments of electronic healthcare documents were implemented in various countries. In Identity and Access Management, growing demand for Gemalto's Ezio™ online banking security solutions also contributed to the segment's revenue increase.

Gross profit increased by +21%, or €24 million, to €142 million. Operating expenses grew at half that rate of increase, i.e. +10%, or €9 million to €97 million creating further operating leverage. Investments were essentially focused on developing online banking and Protiva™ cloud security access offers and providing additional resources to deliver on the strong growth in demand in Government Programs.

As a result, profit from operations rose to €45 million, an excellent +52% increase over the same period last year, to now represent 12% of segment revenue.

⁴ See appendix 5

Patents

	Full year 2012		Full year 2011		Year-on-year variation	
	€ in millions	As a % of revenue	€ in millions	As a % of revenue	at historical exchange rates	at constant exchange rates
Revenue	2.1		8.8		(76%)	(76%)
Gross profit	1.8	85.7%	7.5	85.3%	+0.4 ppt	
Operating expenses	(11.6)	n.m.	(8.0)	n.m.	n.m.	
Profit from operations	(9.8)	n.m.	(0.5)	n.m.	n.m.	

Patent revenue settled at €2 million, as Gemalto and potential licensees continued to postpone the signing of new agreements due to the litigation Gemalto initiated in the United States.

This lower revenue again translated into reduced gross profit as segments' costs are essentially fixed. Operating expenses grew due to the increase in legal fees associated with the litigation underway.

As a result, Patents recorded a loss of €9.8 million in profit from operations compared to a loss of €0.5 million the previous year.

Additional information

- Gemalto accelerated its penetration in mobile payments with multi-year large-scale contract wins. Its enlarged offering for the banking and electronic payment sector generated a revenue of €632 million for the full year 2012, of which €167 millions in Platforms & Services, and is composed of:
 - Mobile payment and electronic wallet platforms

Offer for payment service providers and retailers willing to leverage the convenient and enriched experience brought to payments by mobile technologies, in banked and under-banked economies. Gemalto's end-to-end, highly-scalable, banking-grade full wallet solutions enable the following: online and proximity payments, person-to-person, domestic and international money transfers, cash in and out, mobile operator billing and airtime top-up, mobile applications for smartphones and entry-range devices. These solutions are available as stand-alone, white-labeled payment service or as an extension service to existing payment infrastructures.

 - Major new contracts announced
 - Sept 25, 2012, Gemalto Expands Mobile Payment Software Solution with Western Union's International Remittance Service
 - Sept 18, 2012, Gemalto Enables MoneyGram to Offer International Money Transfers on Mobile Devices
 - Apr 23, 2012, Gemalto selected by América Móvil, Banamex and Banco Inbursa as the technology provider for Transfer mobile payment service in Mexico
 - In 2012, Gemalto also reinforced its position in payment platforms with direct billing to mobile network operators, with the acquisition of Internet Payment Exchange ("IPX"), acquired from Ericsson and announced on October 1st.
 - Trusted Service Management

Primarily used to extend EMV payment schemes to mobile devices, Gemalto TSM is already certified by Visa, Mastercard, and American Express. This range of solutions focuses on secure management and issuance services for mobile and in-device payment solutions. They allow payment issuers to deploy and manage security credentials used to authenticate electronic devices and users on payment networks as well as sign payment transactions made from mobile and electronic devices. Gemalto's TSM solutions also allow OEMs and mobile network operators to configure mobile devices and SIM cards for hosting and running payment applications from multiple issuers.

 - Major new contracts announced
 - Nov 27, 2012, Gemalto's Solution for Mobile Financial Services deployed by Telecom Italia
 - Oct 31, 2012, T-Mobile Selects Gemalto's Trusted Service Manager for First pan-European NFC Launch; Goes Live in Poland
 - Oct 29, 2012, Vodafone selects Gemalto to setup and manage global NFC Mobile Payment Services
 - Oct 9, 2012, Rogers Communications Selects Gemalto to Secure Mobile NFC Payment Solutions
 - Mar 29, 2012, Gemalto selected by KDDI for Japan's first mobile NFC launch
 - Feb 27, 2012, Chase Selects Gemalto for Trusted Service Management
 - Certified electronic payment cards and software for enabling in-device payment functionality

Gemalto has developed a full range of certified EMV payment software pre-loaded and personalized in electronic payment cards or packaged for in-device secure elements and ready for Trusted Service Management personalization.
 - Mobile and internet banking

Gemalto's offer revolves around authentication server, mobile applications and secure tokens for convenient and secure online banking service access.

Proposed dividend

The Board of Gemalto has decided to propose to the 2013 Annual General Meeting of Shareholders the payment of a cash dividend of €0.34 per share in 2013 in relation with the 2012 financial year, a 10% increase compared to the cash dividend of €0.31 per share paid in 2012 in relation with the 2011 financial year. If approved, the time schedule related to the dividend payment will be as follows:

May 27, 2013	Ex-dividend date (the date as of which shares are traded without the right to the dividend)
May 29, 2013	Dividend record date (the date on which the positions of the shareholders need to be recorded as per close of business in order to be entitled to the distribution)
May 30, 2013	Payment date of dividend

Gemalto shares will trade ex-dividend as from the beginning of the trading session on May 27, 2013. Holders of Gemalto shares on May 27, 2013 who would not have previously sold their shares will be able to freely trade their shares on the stock exchange as from such date and will not need to block their shares until the payment date of the dividend to benefit from such dividend.

Outlook

For the full year 2013 Gemalto anticipates double digit revenue expansion at constant exchange rates. Increased investment in operations to drive business development beyond 2013 should lead to a more pronounced seasonality in profit from operations between the two semesters. Gemalto's next long-term development plan and objectives will be announced in the second part of the year.

Live Audio Webcast and Conference call

Gemalto full year 2012 results presentation will be webcast in English today at 3pm Paris time (2pm London time and 10am 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) +44 203 367 9458 or (US) +1 866 907 5924 or (FR) +33 1 7077 0937

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.

Reporting calendar

The annual report, including the condensed consolidated financial statements as of December 31, 2012, is available on our Investor web site (www.gemalto.com/investors).

Financial reporting for the three first quarters of 2013 will be made before the opening of Euronext Paris on the following dates:

April 25, 2013	Publication of 2013 first quarter revenue
August 29, 2013	Publication of 2013 first semester results
October 24, 2013	Publication of 2013 third quarter revenue

Gemalto N.V. will hold its 2013 Annual General Meeting of Shareholders (AGM) on Thursday, May 23, 2013. The persons, who on April 25, 2013 (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.

Stock Exchange Listing

Gemalto N.V. (Euronext NL 0000400653) is listed on NYSE Euronext Paris in the compartment A (Large Caps).

Mnemonic: GTO
Exchange: NYSE Euronext Paris
ISIN Code: NL0000400653
Reuters: GTO.PA
Bloomberg: GTO:FP

Gemalto has also 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

Gemalto N.V. is interested in expanding its investor base and is considering a dual-listing of its shares in addition to its current listing on NYSE Euronext in Paris. If Gemalto decides to pursue this dual-listing, it intends to apply for listing on NYSE Euronext Amsterdam, aiming for a listing date in April 2013. Subject to the dual-listing in Amsterdam taking place, Gemalto would change its market of reference from NYSE Euronext Paris to NYSE Euronext Amsterdam.

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About Gemalto

Gemalto (Euronext NL0000400653 GTO) is the world leader in digital security with 2012 annual revenues of €2.2 billion and more than 10,000 employees operating out of 83 offices and 13 Research & Development centers, located in 43 countries.

We are at the heart of the 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 enjoyable and safe. Gemalto delivers on their expanding needs for personal mobile services, payment security, authenticated cloud access, identity and privacy protection, eHealthcare and eGovernment efficiency, convenient ticketing and dependable machine-to-machine (M2M) applications.

Gemalto develops secure embedded software and secure products which we design and personalize. Our platforms and services manage these secure products, the confidential data they contain and the trusted end-user services they enable. Our innovations enable our clients to offer trusted and convenient digital services to billions of individuals.

Gemalto thrives with the growing number of people using its solutions to interact with 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 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.

Appendix 1

Adjusted income statement by business segment

Ongoing operations

Full year 2012

Adjusted income statement (€ in millions)	Mobile Communication	M2M	Secure Transactions	Security	Patents	Total	Asset held for sales	Total Gemalto
Revenue	1089.6	192.2	568.0	384.0	2.1	2235.9	9.6	2245.5
Gross profit	471.0	63.8	183.2	142.4	1.8	862.3	2.1	864.4
Operating expenses	(277.7)	(49.8)	(120.9)	(97.2)	(11.6)	(557.2)	(0.9)	(558.1)
Profit from operations	193.3	14.0	62.4	45.2	(9.8)	305.0	1.2	306.3

Ongoing operations

Full year 2011

Adjusted income statement (€ in millions)	Mobile Communication	M2M	Secure Transactions	Security	Patents	Total	Assets held for sale	Total Gemalto
Revenue	960.0	174.3	531.4	309.9	8.8	1984.3	31.1	2015.4
Gross profit	390.6	60.4	168.2	118.0	7.5	744.8	6.8	751.5
Operating expenses	(250.0)	(46.7)	(110.5)	(88.2)	(8.0)	(503.4)	7.5	(495.9)
Profit from operations	140.6	13.7	57.7	29.8	(0.5)	241.4	14.3	255.6

Contribution of assets now held for sale and not held for sale at full year 2011

Full year 2011 Ongoing operations Adjusted income statement (€ in millions)	As reported in full year 2012	Contribution of assets now held for sale and not held for sale at full year 2011					Total	As reported in full year 2011
		Mobile Communication	M2M	Secure Transactions	Security	Patents		
Revenue	1984.3	16.0					16.0	2000.3
Gross profit	744.8	2.4					2.4	747.2
Operating expenses	(503.4)	(5.2)					(5.2)	(508.6)
Profit from operations	241.4	(2.8)					(2.8)	238.6

Appendix 2

Reconciliation from Adjusted financial information to IFRS

12 month period ending December 31, 2012

	Adjusted financial information for ongoing operations	Items not related to ongoing operations	Adjusted financial information for all operations	Adjustments	IFRS financial information
<i>€ in thousands</i>					
Revenue	2,235,936	9,564	2,245,500		2,245,500
Cost of sales	(1,373,670)	(7,419)	(1,381,089)	(6,510)	(1,387,599)
Gross profit	862,266	2,145	864,411	(6,510)	857,901
Operating expenses					
Research and engineering	(133,926)	(3,711)	(137,637)	(3,502)	(141,139)
Sales and marketing	(299,759)	(2,548)	(302,307)	(14,144)	(316,451)
General and administrative	(132,998)	(266)	(133,264)	(14,466)	(147,730)
Gain on remeasurement to fair value of an investment in associate					
Gain on sale of a subsidiary		5,584	5,584		5,584
Other income (expense), net	9,455	35	9,490		9,490
Profit from operations	305,038	1,239	306,277		
Share-based compensation charges and associates charges				(38,622)	
Restructuring and acquisition-related expenses				(7,911)	(7,911)
Amortization and depreciation of intangibles resulting from acquisitions				(20,985)	(20,985)
Operating Profit				(67,518)	238,759
Financial income (expense), net	(11,494)	61	(11,433)		(11,433)
Share of profit of associates	2,009	(208)	1,801		1,801
Profit before income tax	295,553	1,092	296,645	(67,518)	229,127
Income tax (expense) credit	(34,902)	(103)	(35,005)	6,799	(28,206)
Profit from continuing operations	260,651	989	261,640	(60,719)	200,921
Profit (loss) from discontinued operation (net of income tax)					
Profit for the period	260,651	989	261,640	(60,719)	200,921
Attributable to					
Owners of the Company	260,365	1,270	261,635	(60,594)	201,041
Non-controlling interests	286	(281)	5	(125)	(120)
Earnings per share (€ per share)					
Basic	3.13		3.14		2.41
Diluted	2.99		3.00		2.31

The full year 2012 adjusted basic earnings per share is determined on the basis of the weighted average number of Gemalto shares outstanding during the twelve-month period ended December 31, 2012, i.e. 83,310,429 shares taking into account the effect of the share buy-back program. The full year 2012 adjusted diluted earnings per share is determined by using 87,129,977 shares corresponding to the IFRS treasury stock method, i.e. on the basis of the same weighted average number of Gemalto shares outstanding and considering that all outstanding share based instruments were exercised (5,382,234 instruments) and the proceeds received from the instruments exercised (€89,036,102) were used to buy-back shares at the average share price of the full year 2012 (1,562,686 shares at €56.98).

12 month period ending December 31, 2011

	Adjusted financial information for ongoing operations	Items not related to ongoing operations	Adjusted financial information for all operations	Adjustments	IFRS financial information
<i>€ in thousands</i>					
Revenue	1,984,262	31,122	2,015,384		2,015,384
Cost of sales	(1,239,505)	(24,333)	(1,263,838)	(2,964)	(1,266,802)
Gross profit	744,757	6,789	751,546	(2,964)	748,582
Operating expenses					
Research and engineering	(113,470)	(2,671)	(116,141)	(1,951)	(118,092)
Sales and marketing	(273,682)	(2,849)	(276,531)	(12,364)	(288,895)
General and administrative	(120,697)	(1,805)	(122,502)	(14,797)	(137,299)
Gain on re-measurement to fair value of an investment in associate		19,240	19,240		19,240
Gain on sale of a subsidiary					
Other income (expense), net	4,465	(4,432)	33		33
Profit from operations	241,373	14,272	255,645		
Share-based compensation charges and associated costs				(32,076)	
Restructuring and acquisition-related expenses				(15,374)	(15,374)
Amortization and depreciation of intangibles resulting from acquisitions				(24,813)	(24,813)
Operating Profit				(72,263)	183,382
Financial income (expense), net	(14,605)	2,101	(12,504)		(12,504)
Share of profit of associates	5,714		5,714		5,714
Profit before income tax	232,482	16,373	248,855	(72,263)	176,592
Income tax (expense)	(16,122)	(3,496)	(19,618)	5,948	(13,670)
Profit from continuing operations	216,360	12,877	229,237	(66,315)	162,922
Profit (loss) from discontinued operation (net of income tax)		(1,554)	(1,554)		(1,554)
Profit for the period	216,360	11,323	227,683	(66,315)	161,368
Attributable to					
Owners of the Company	215,300	11,130	226,430	(66,315)	160,115
Non-controlling interests	1,060	193	1,253		1,253
Earnings per share (€ per share)					
Basic	2.59		2.73		1.93
Diluted	2.52		2.65		1.88

Appendix 3

Consolidated statement of financial position

(€ in thousands)

	Year ended December 31,	2012	2011
ASSETS			
Non-current assets			
Property, plant and equipment, net		237,444	222,892
Goodwill, net		852,240	812,959
Intangible assets, net		198,660	159,223
Investments in associates		25,697	13,783
Deferred income tax assets		108,027	89,721
Available-for-sale financial assets, net		-	-
Other non-current assets		48,883	44,014
Derivative financial instruments		14,290	7,006
Total non-current assets		1,485,241	1,349,598
Current assets			
Inventories, net		185,535	172,667
Trade and other receivables, net		652,752	558,757
Derivative financial instruments		19,340	8,426
Cash and cash equivalents		358,610	330,384
Total current assets		1,216,237	1,070,234
Assets held for sale		13,210	1,711
Total assets		2,714,688	2,421,543
EQUITY			
Share capital		88,016	88,016
Share premium		1,207,195	1,209,216
Treasury shares		(151,753)	(156,531)
Fair value and other reserves		123,388	87,006
Cumulative translation adjustments		81	8,102
Retained earnings		654,795	480,702
Capital and reserves attributable to the owners of the Company		1,921,722	1,716,511
Non-controlling interests		10,590	4,225
Total equity		1,932,312	1,720,736
LIABILITIES			
Non-current liabilities			
Borrowings		3,674	5,762
Deferred income tax liabilities		31,994	23,805
Employee benefit obligations		80,039	51,470
Provisions and other liabilities		84,439	76,228
Derivative financial instruments		277	9,704
Total non-current liabilities		200,423	166,969
Current liabilities			
Borrowings		6,564	15,261
Trade and other payables		539,401	467,215
Current income tax liabilities		23,218	22,331
Provisions and other liabilities		6,990	10,083
Derivative financial instruments		4,803	18,948
Total current liabilities		580,976	533,838
Liabilities associated with assets held for sale		977	-
Total liabilities		782,376	700,807
Total equity and liabilities		2,714,688	2,421,543

Appendix 4

Cash position variation schedule

<i>€ in millions</i>	Full year 2012	Full year 2011
Cash & cash equivalent, beginning of period	330	275
Cash generated by operating activities, before cash outflows related to restructuring actions	293	220
Including cash provided (used) by working capital decrease (increase)	(18)	(3)
Cash used in restructuring actions	(8)	(8)
Cash generated by operating activities	285	211
Capital expenditure and acquisitions of intangibles	(125)	(93)
Free cash flow	160	118
Interest received, net	2	2
Cash used by acquisitions	(73)	(0)
Other cash provided by investing activities	5	10
Currency translation adjustments	(4)	2
Cash generated (used) by operating and investing activities	89	131
Cash used by the share buy-back program	(45)	(61)
Dividend paid to Gemalto shareholders	(26)	(23)
Other cash provided (used) by financing activities	14	28
Change in cash and cash equivalent due to change in consolidation method	0	(19)
Cash and cash equivalents, end of period	363	330
Current and non-current borrowings including finance lease and bank overdrafts, end of period	(10)	(21)
Net cash, end of period	353	309

Appendix 5

Platforms & Services

Revenue from ongoing operations in Platforms & Services activities (€ in millions)	2012	2011	Year-on-year variations at constant exchange rates	Year-on-year variations at historical exchange rates
Mobile Communication	210	161	+27%	+31%
Secure Transactions	115	99	+13%	+16%
Security	66	40	+59%	+65%
Total	392	301	+26%	+30%

In the Mobile Communication segment, growth from Platforms & Services activities was +21% at historical rates when excluding the contribution of activities acquired and deconsolidated during the year.

From 2012, revenue from Platforms & Services in the Security segment follows the same definition as in the other segments, i.e. not only includes personalization services but also server platforms, application software and services, and the same definition was applied to the above figures for the year 2011. The total 2011 revenue made in Platforms & Services by the Company as reported in the previous year was €273 million, of which €12 million was generated by the Security segment.

Appendix 6

Revenue from ongoing operations, by region

Full year 2012 € in millions	Full year 2012	Full year 2011	Year-on-year variation at constant exchange rates	Year-on-year variation at historical exchange rates
EMEA	1 126	1 029	8%	9%
North & South America	678	587	10%	15%
Asia	432	368	9%	17%
Total revenue	2 236	1 984	9%	13%

Second half 2012 € in millions	Second half 2012	Second half 2011	Year-on-year variation at constant exchange rates	Year-on-year variation at historical exchange rates
EMEA	610	535	12%	14%
North & South America	366	332	4%	11%
Asia	244	197	14%	23%
Total revenue	1 220	1 064	10%	15%

Appendix 7

Average exchange rates between the Euro and the US dollar

EUR/USD	2012	2011
First quarter	1.32	1.36
Second quarter	1.30	1.44
First half	1.31	1.40
Third quarter	1.24	1.44
Fourth quarter	1.29	1.37
Second half	1.26	1.41
Full year	1.29	1.40