

Gemalto first quarter 2013 revenue

- Revenue up +9% at constant exchange rates, growing in all segments
- Double-digit revenue increases in Secure Transactions and in Security
- Excellent performance of Platforms & Services, up +29% at constant exchange rates

Revenue figures in this document are for ongoing operations¹ and variations are at constant exchange rates except where otherwise noted. Revenue figures including contribution of assets held for sale and variations at historical rates are provided in the appendix of this document. All figures presented in this press release are unaudited.

Amsterdam, April 25, 2013 - Gemalto (Euronext NL0000400653 - GTO), the world leader in digital security today announces its revenue for the first quarter of 2013.

First quarter 2013 Ongoing operations (€ in millions)	Mobile Communication	Machine-to- Machine	Secure Transactions	Security	Patents	Total first quarter 2013	Total first quarter 2012
Revenue	239	45	143	91	0	518	483
Year-on-year variations at constant exchange rates	+4%	+3%	+13%	+21%	n.m.	+9%	

Olivier Piou, Chief Executive Officer, commented: “First quarter growth extends last year’s strong performance. The Platforms & Services activity carries on its fast development, delivering almost half of the quarter’s revenue growth. We continue to build on the long-term contracts in place and add new clients who want to secure mobile access to their services. Electronic identity programs deployed by governments modernizing their services remain on their outstanding trajectory, driving Security growth to +21%. Sales of high-end products to mobile network operators continue to expand and are expected to accelerate over the year as additional LTE and mobile payment services are launched. With this good start, we are on track to deliver on our strong 2013 outlook.”

¹ See basis of preparation on page 2, and appendix 3 of this document for more information on ongoing operations.

Basis of preparation of financial information

Ongoing operations

For a better understanding of the current and future year-on-year evolution of the business, the Company provides revenue from “ongoing operations” for both 2013 and 2012 reporting periods.

The adjusted income statement for ongoing operations excludes, as per the IFRS income statement, the contribution from discontinued operations to the income statement, and also the contribution from assets classified as held for sale and from other items not related to ongoing operations.

In this publication reported figures for ongoing operations only differ from figures for all operations by the contribution from assets held for sale.

Appendix 3 bridges the revenue for ongoing operations to the revenue for all operations.

Historical exchange rates and constant exchange rates figures

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

The Company sells its products and services in a very large number of countries and is commonly remunerated in currencies other than the Euro. Fluctuations in exchange rates of these other currencies against the Euro have a translation impact on the reported Euro value of the Company revenues. Comparisons at constant exchange rates aim at eliminating the effect of 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.

General information

Contribution to first quarter 2013 revenue by segment	Mobile Communication	Machine-to- Machine	Secure Transactions	Security	Patents	Total ongoing operations
As a percentage of revenue	46%	9%	28%	18%	0%	100%

Contribution to first quarter 2013 revenue growth by activity	Embedded software & Products	Platforms & Services	Total ongoing operations
As a percentage of revenue growth	51%	49%	100%

For the period, revenue for ongoing operations was up by +9% year-on-year at constant exchange rates to €518 million, growing in all regions.

All main segments increased their revenue. The strong contribution from Secure Transactions and Security, which together represented 45% of the total Company revenue in the first quarter, evidences the Company's portfolio of growth engines.

Revenue from Platforms & Services activities grew by +29%, showing double-digit expansion in all segments. This increase represented 49% of the total revenue growth at constant rates in the first quarter, illustrating the build-up of customer contracts activated over the previous semesters.

During the first quarter, effects of currency translation movements were significant. Revenue expansion was +9% at constant exchange rates and +7% at historical exchange rates, a 20% difference, due to a particularly strong impact from fluctuations in Asian currencies. Revenue variations by segment and by region are presented in appendix 1. Average exchange rates between the Euro and the US Dollar are presented in appendix 4.

Segment information

Mobile Communication

€ in millions	First quarter 2013	First quarter 2012
Revenue	238.6	235.2
Year-on-year variation at constant exchange rates	+4%	

The Mobile Communication segment posted revenue of €239 million, growing by +4%.

Revenue from Platforms & Services grew by +33%, reaching €52 million and representing 22% of the segment revenue. This growth came mainly from LTE subscriptions management and from the acceleration of mobile payment and trusted services management (TSM) projects.

In Embedded software & Products, deployments of LTE and NFC products continued to drive mix improvement. During the quarter Gemalto focused its resources on projects that require high-end products for deployments expected in the latter part of 2013. Market contraction in India and disciplined pricing strategy reduced year-on-year low-end Qipso product revenue by €7 million. Revenue from mid-range to high-end UpTeq products increased by +2%.

Machine-to-Machine

€ in millions	First quarter 2013	First quarter 2012
Revenue	44.5	43.8
Year-on-year variation at constant exchange rates	+3%	

The Machine-to-Machine segment posted revenue of €45 million, an increase of +3% at constant exchange rates. The increase in activity was driven by strong demand in the Americas compensating for slow activity in Western Europe. The demand for Cinterion modules and data management services stems from industrial sectors that are integrating mobile connectivity into their product offerings to reduce costs, improve data collection and deliver higher levels of service.

Secure Transactions

€ in millions	First quarter 2013	First quarter 2012
Revenue	143.2	128.8
Year-on-year variation at constant exchange rates	+13%	

Secure Transactions posted a +13% revenue increase at €143 million, an acceleration on the performance recorded in previous quarters, demonstrating the benefits of the operational investments started in the second part of 2011.

The revenue increase in Embedded software & Products came from new countries migrating to EMV technology with entry-range products. Platforms & Services also contributed to the growth with an increase in new projects for mobile payment and trusted service management (TSM).

Security

€ in millions	First quarter 2013	First quarter 2012
Revenue	91.5	75.3
Year-on-year variation at constant exchange rates	+21%	

Revenue in Security grew by +21% to €91 million with solid growth in both Government Programs and Identity & Access Management.

The deployment of electronic identity management programs in both fast-growing and developed economies continued to drive the performance in Government Programs. These programs include creation and management of national registries, e-Identity, e-Passport and other e-Government services, all of which generated further expansion in Platforms & Services as well as in Embedded software & Products.

Patents

€ in millions	First quarter 2013	First quarter 2012
Revenue	0.0	0.3
Year-on-year variation at constant exchange rates	n.m.	

The activity in Patents continues to be limited due to ongoing litigation initiated by the Company in the United States, in the Eastern District of Texas.

The trial that was expected to happen at the end of the first quarter was cancelled due to a summary judgment motion filed by the defendants, and recently granted by the Texas Court.

It has been established that defendants use our Java conversion technology, reinforcing the validity of our patent portfolio. The defense was focused on a single claim construction issue that limits the scope of our IP rights related to this technology. We believe the Texas Court took the practical approach of letting an Appellate Court determine the merits of the claim construction issue that was the subject of the summary judgment motion, thereby relieving it of the burden of a trial until there is a definitive ruling from the Appellate Court on this issue.

We have resumed bilateral communications with the various parties to amicably resolve this case. If these efforts are unsuccessful, we expect the presentation before the Appellate Court to be completed in the Fall of 2013, and a conclusion of the case in the first half of 2014 if a trial is needed.

Additional information

- Gemalto announced progress in several mobile payments projects for banks, mobile carriers and retailers, including.
 - Mobile payment and electronic wallet platforms

Gemalto was selected to provide the mobile commerce platform for Merchant Customer Exchange (MCX), a United States based group of leading merchants that collectively operate more than 75,000 stores and process more than \$1 trillion in payments annually. Gemalto's highly-scalable transaction processing and wallet platform enable the mobile payment and loyalty services provided by MCX members. As part of this contract, Gemalto will implement and deliver MCX's roadmap for convenient and secure retail payments on all smartphones, initially using barcode and cloud-based technology for a rapid deployment across MCX members' retail stores.
 - Trusted service management and UICCs

New contract for TSM services and NFC UICC were signed across the three regions with China Unicom, KDDI in Japan, Telus in Canada, and SIA in Italy.

Related press releases:

April 17, 2013: MCX Selects Gemalto for Mobile Commerce Platform

March 7, 2013: TELUS selects Gemalto SIM to enable secure NFC mobile payments

March 5, 2013: SIA uses Gemalto's TSM platform to link service providers and speed up nationwide NFC rollout in Italy

February 26, 2013: China Unicom selects Gemalto in China's first NFC payment service

February 26, 2013: KDDI using Gemalto TSM in the world's first commercial NFC-based flight boarding service for Japan Airlines

- Significant achievements were announced in the Security segment in this first phase of 2013
 - Leader in Gartner's 2013 Magic Quadrant

Gemalto was recognized as a Leader in Gartner's 2013 Magic Quadrant for User Authentication. The Magic Quadrant report presents a strategic analysis of key vendors measured on their completeness of vision and ability to execute. Vendors surveyed in this report account for the majority of the market by customer and end-user numbers. Gemalto supplies a wide range of authentication software and services to thousands of the world's largest enterprises, service providers and governments. Gemalto's range of Protiva solutions includes an expansive portfolio of authentication tools and services designed for demanding enterprise environments that need a scalable path to upgrade authentication technology to higher levels of security and manage the growing need for mobile access.
 - Government Programs : Topping 80th program deployments

By being selected to supply Taiwan's government with its ePassport solutions in a multi-year contract, Gemalto is going to deliver on its 80th national electronic identity programs deployment.

Earlier, Gemalto announced it has been appointed as prime contractor and turnkey supplier to provide Ghana Immigration Services (GIS) with a highly secure electronic visa and border management solution, acting as prime contractor and taking responsibility for integrating the advanced visa and border management solution, including change management, transitional training and maintenance services.

Related press releases:

April 11, 2013: Gemalto Supplies ePassport solution to Taiwan; Tops 80 deployments of national programs worldwide

April 8, 2013: Gemalto selected as prime contractor to implement a complete visa and border management system in Ghana

April 3, 2013: Gemalto recognized in Gartner's Magic Quadrant for User Authentication

Outlook

For the full year 2013 Gemalto anticipates double digit expansion in both profit from operations and revenue 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 first quarter 2013 revenue presentation will be webcast in English today at 3pm Paris time (2pm London time and 9am New York time).

This listen-only live audio webcast of the presentation and the Q&A session will be accessible from our Investor Relations web site:

www.gemalto.com/investors

Questions will be taken by way of conference call. Investors and financial analysts wishing to ask questions should join the presentation by dialing:

(UK) +44 203 367 9453 or (US) +1 866 907 5923 or (FR) +33 1 7077 0940

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 first semester 2013 results will be reported on Thursday August 29, 2013, before the opening of Euronext Paris.

Stock Exchange Listing

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

Mnemonic:	GTO
Exchange	Dual listing on NYSE Euronext Amsterdam and Paris
Market of reference	NYSE Euronext Paris till April 29, 2013 NYSE Euronext Amsterdam from April 30, 2013
ISIN Code	NL0000400653
Reuters	GTO.PA
Bloomberg	GTO:FP, GTO:NA

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

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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. We develop secure embedded software and secure products which we design and personalize. Our platforms and services manage these products, the confidential data they contain and the trusted end-user services made possible.

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.

Appendices

All variations in these appendices are comparing the revenue of the first quarter 2013 to the revenue of the first quarter 2012. For a better understanding of Gemalto's year-on-year business evolution, the revenue figures have been calculated for ongoing operations, as described in the basis of preparation of this document, unless otherwise mentioned.

Appendix 1

Revenue from ongoing operations, by region

Ongoing operations (€ in millions)	First quarter 2013	First quarter 2012	Year-on-year variation at constant exchange rates	Year-on-year variation at historical exchange rates
EMEA	258	243	+6%	+6%
North & South America	153	144	+9%	+7%
Asia	107	96	+17%	+11%
Total revenue	518	483	+9%	+7%

Appendix 2

Revenue variations at constant and historical exchange rates

Ongoing operations (€ in millions)	Mobile Communication	Machine-to- Machine	Secure Transactions	Security	Patents	Total first quarter 2013	Total first quarter 2012
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Year-on-year variation at constant exchange rates	+4%	+3%	+13%	+21%	n.m.	+9%	
Year-on-year variation at historical exchange rates	+1%	+2%	+11%	+21%	n.m.	+7%	

Appendix 3

Revenue from ongoing operations and all operations

Revenue (€ in millions)	Ongoing operations					Total Ongoing operations	Assets held for sale	Total Gemalto
	Mobile Communication	Machine- to-Machine	Secure Transactions	Security	Patents			
First quarter 2013	239	45	143	91	0	518	2	520
First quarter 2012	235	44	129	75	0	483	2	485

Appendix 4

Average exchange rates between the Euro and the US dollar

EUR/USD	2013	2012
First quarter	1.33	1.32
Second quarter		1.30
First half		1.31
Third quarter		1.24
Fourth quarter		1.29
Second half		1.26
Full year		1.29