

Gemalto first quarter 2014 revenue

- Revenue up +7% at constant exchange rates
- Outlook for 2014 confirmed

To better assess past and future performance, revenue figures above and in this document are for ongoing operations and variations are at constant exchange rates except where otherwise noted (see page 2 “Basis of preparation of financial information”). Appendix 3 provides synthesis information for both ongoing and total operations. All figures presented in this press release are unaudited.

Amsterdam, April 24, 2014 - Gemalto (Euronext NL0000400653 - GTO), the world leader in digital security today announces its revenue for the first quarter of 2014.

First quarter 2014		Main segments		Main activities		Patents & Others
Ongoing operations (€ in millions)	Total	Mobile	Payment & Identity	Embedded software & Products	Platforms & Services	
Revenue	532	271	253	425	99	8
Year-on-year variation at constant exchange rates	+7%	+0%	+12%	+5%	+8%	n.m.

Olivier Piou, Chief Executive Officer, commented: “The first quarter of 2014 delivered further revenue growth with different geographical performances: in Asia and North America the activity expansion was rapid, and it grew at a slower pace in Europe and Latin America. Promising market developments and contract wins confirm the conditions for the seasonal acceleration along the year: demand for EMV solutions is rapidly increasing in the US, mobile contactless services are ramping up thanks to simpler, customer-focused go-to-market initiatives, and demand is high in the government market globally. We confirm our outlook for the year and the longer term objectives of our multi-year development plan. “

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 the 2014 and 2013 reporting periods.

The adjusted income statement for ongoing operations excludes, as per the IFRS income statement, the contribution from discontinued operations, 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 for the year 2013. There is no difference for the year 2014.

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

Segment information

From January 1, 2014, segment information is modified to report on progress towards the objectives set as part of the Company’s new development plan covering the years 2014 to 2017, publicly announced on September 5, 2013.

The Mobile segment reports on businesses associated with mobile cellular technologies. The former Mobile Communication and Machine-to-Machine segments are part of Mobile. The security evaluation business for third parties, whose contribution to Mobile Communication was minor, is now managed together with the Patents business and is as of 2014 reported in the Patents & Others segment.

The Payment & Identity segment reports on businesses associated with secure personal interactions. The former Secure Transactions and Security segments are part of Payment & Identity.

In addition to this segment information, the Company also reports as of 2014 revenue of Mobile and Payment & Identity by type of activity: Embedded software & Products (E&P) and Platforms & Services (P&S).

Appendix 4 presents segment information in 2013 and 2014 formats.

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 revenue. Comparisons at constant exchange rates aim at eliminating the effect of currencies translation movements on the analysis of the Company revenues by translating prior year revenues at the same average exchange rate as applied in the current year.

General information

Revenue contributions by segment

First quarter 2014 (€ in millions, ongoing operations)	Mobile	Payment & Identity	Total two main segments	Patents & Others
Revenue	271	253	524	8
As a percentage of total revenue	51%	48%	98%	2%

Revenue contributions by activity

First quarter 2014 (€ in millions, ongoing operations)	Embedded software & Products	Platforms & Services	Total two main segments
Revenue	425	99	524
As a percentage of total revenue	80%	19%	98%
As a percentage of total revenue growth at constant exchange rates	57%	21%	78%

For the period, revenue for ongoing operations was up by +7.3% year-on-year at constant exchange rates to €532 million, showing growth in all regions. Growth came mostly from the Payment & Identity segment this quarter, with strong activity linked to EMV payment cards. The Mobile segment was stable due to a lower contribution from the Mobile Communication business as some project launches in Europe were rescheduled to later this year. Revenue contributions of the Mobile and Payment & Identity segments were respectively 51% and 48% of the total revenue.

Revenue from Platforms & Services activities grew by +8% to €99 million, or 19% of the total Company revenue, supported by progress in mobile payment, internet banking security and eGovernment services.

During the first quarter, the adverse effects of currency translation movements were significant with revenue expanding by +7% at constant exchange rates and by +3% at historical exchange rates. Currency variations that most impacted reported revenue figures were from the Japanese Yen, American Dollar and Brazilian Real, which decreased in value relative to the Euro by 16%, 3% and 18% respectively.

Segment information

Mobile

€ in millions	First quarter 2014	First quarter 2013
Revenue	271.1	283.0
Year-on-year variation at constant exchange rates	0%	

The Mobile segment posted revenue of €271 million, stable year-on-year at constant exchange rates.

Revenue from Platforms & Services grew by +6%, to €53 million, on top of 2013 first quarter's +33% year-on-year growth. Growth came mainly from the expansion in activation services for LTE subscriptions and in mobile payment services.

Embedded software & Products revenue was €218 million, representing a (1%) variation compared to the first quarter of 2013. Deployment of 4th generation LTE SIM technology continued to grow across the different regions. Sales of multi-tenant SIM cards, used to secure third-party services such as mobile payment, grew rapidly in North America. They were lower in Europe as several commercial deployments were rescheduled to later in the year in order to implement a simplified partner enrolment process and additional security measures. Revenue generation from multi-tenant SIM cards planned for the year is unchanged. Embedded software & Products revenue in the Machine-to-Machine business was €46 million, up +8%, with a strong performance in the automotive and metering industries.

Payment & Identity

€ in millions	First quarter 2014	First quarter 2013
Revenue	253.0	234.6
Year-on-year variation at constant exchange rates	+12%	

The Payment & Identity segment's revenue came in at €253 million, increasing by +12% compared to the previous year.

Deployment of EMV technology accelerated in China, further expanding on top of the rapid increase in revenue recorded during the first quarter of 2013. In Europe, migration to dual interface payment cards continued, adding the convenient NFC contactless tap-and-pay benefit to the traditional chip-based secure payment card experience. In the United States, customer initiatives intensified towards national rollouts of EMV payment cards in the second part of 2014. The Government business experienced strong tender activity related to new programs in emerging countries; however revenue recorded this quarter did not reach the high comparison basis of the first quarter of 2013. For the segment, including evolutions in the government and enterprise businesses, Embedded software & Product revenue grew by +12%.

Revenue in Platforms & Services also increased, by +11%, to €46 million. Activities related to cloud access security showed a particularly strong development, notably driven by demand for securing internet banking services.

Patents & Others

€ in millions	First quarter 2014	First quarter 2013
Revenue	8.3	0.2
Year-on-year variation at constant exchange rates	n.m.	

In February, the litigation initiated in the United States went before a panel of judges of the Court of Appeals for the Federal Circuit to review the preliminary decision of the district court in Texas. The disposition from this court is due to be communicated to the involved parties in the second quarter of 2014.

Additional information

- New offer announcements

- **Mobile ID**

Gemalto's Mobile ID service platform enables end users to authenticate themselves to any web site via any type of mobile phone with a convenient 'one click' experience, regardless of the level of assurance required for the service, from basic acknowledgement verification and out-of-band authentication up to sophisticated authentication mechanisms such as OATH and PKI, allowing a host of banks, enterprises, e-merchants and public bodies to leverage a single Mobile ID. In order to support GSMA's Mobile Connect initiative that will allow any mobile network operator to become a universal ID provider, Gemalto has decided to embed the related Mobile ID application in the operating system of all its future SIM cards at no additional cost for operators once the GSMA standard is available.

- February 24, 2014 Gemalto offers seamless and secure access to Internet services for all mobile users

- **Border and Visa Management**

Gemalto has introduced the Coesys Border and Visa Management solution to meet the combined needs of securing borders and simplifying travel procedures. The end-to-end solution integrates high-availability service platforms, secure software and on-site services to significantly reduce border crossing waiting times – without compromising on security – through the use of automated document verification and border control at land, sea and airport check points. It also delivers higher rates of detection and prevention through official international databases to check if the travel document has been lost or stolen. Coesys Border and Visa Management can easily integrate automated e-gates at border immigration check points. These highly secure two-stage travelers' identity verification systems first verify that the e-passport is authentic and then performs facial or fingerprint recognition to match the holder to the electronic data securely stored on the e-passport.

- Mars 25, 2014 Gemalto launches integrated Border and Visa Management solution for fast, reliable and secure immigration control

- **Machine-to-Machine development platform**

Gemalto Cinterion® portfolio of cellular modules and devices now include Oracle Java™ ME Embedded version 8 solutions. With support for Java and for the Gemalto SensorLogic cloud-based software as a service (SaaS) platform, the Company launches next generation products and services integrated solutions that simplify Machine-to-Machine (M2M) technology and speed up application development.

- January 7, 2014 Gemalto launches next generation M2M product range adding Oracle Java ME8 solutions capability based on chipsets from Qualcomm Technologies

Outlook

For the full year 2014, Gemalto anticipates double-digit expansion in both profit from operations and revenue at constant exchange rates.

Live Audio Webcast and Conference call

Gemalto first quarter 2014 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 9454 or (US) +1 855 402 7763 or (FR) +33 1 7077 0939

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.

Calendar

Gemalto N.V. will hold its 2014 Annual General Meeting of Shareholders (AGM) on Wednesday, May 21, 2014 at the Sheraton Amsterdam Airport Hotel & Conference Center, Schiphol Boulevard 101, 1118 BG Schiphol Airport, the Netherlands at 2:00 p.m. CET.

The first semester 2014 results will be reported on Thursday August 28, 2014, 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 Amsterdam
ISIN Code	NL0000400653
Reuters	GTO:AS
Bloomberg	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 2013 annual revenues of €2.4 billion and more than 12,000 employees operating out of 85 offices and 25 research and software development centers, located in 44 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.

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Appendix 1

Revenue from ongoing operations, by region

Ongoing operations (€ in millions)	First quarter 2014	First quarter 2013	Year-on-year variation at constant exchange rates	Year-on-year variation at historical exchange rates
EMEA	258	258	+2%	0%
Americas	158	153	+9%	+3%
Asia	117	107	+19%	+10%
Total revenue	532	518	+7%	+3%

Appendix 2

Revenue variations at constant and historical exchange rates

First quarter 2014 Ongoing operations (€ in millions)	Total	By segment			By activity	
		Mobile	Payment & Identity	Patents & Others	Embedded software & Products	Platforms & Services
Revenue	532	271	253	8	425	99
Year-on-year variation at constant exchange rates	+7%	+0%	+12%	n.m.	+5%	+8%
Year-on-year variation at historical exchange rates	+3%	(4%)	+8%	n.m.	+1%	+4%

Appendix 3

Revenue from ongoing operations and all operations

Revenue (€ in millions)	Ongoing operations			Total Ongoing operations	Assets held for sale	Total Gemalto
	Mobile	Payment & Identity	Patents & Others			
First quarter 2014	271	253	8	532	0	532
First quarter 2013	283	235	0	518	2	520

Appendix 4

First quarter 2014 revenue in 2013 reporting format

First quarter 2014	Mobile		Payment & Identity		Patents & Others	Total
Ongoing operations (€ in millions)	Mobile Communication	Machine-to- Machine	Secure Transactions	Security	Patents	
Revenue	225	46	165	88	8	532
Year-on-year variations at constant exchange rates	(1%)	+7%	+21%	(1%)	n.m.	+7%

2013 revenue as reported and in 2014 reporting format

In the table below, 2013 revenue is represented in the 2014 format to account for the transfer of the security evaluation business for third parties from Mobile Communication to Patents

2013 revenue Ongoing operations (€ in millions)	Q1	Q2	H1	Q3	Q4	H2	Full year 2013
Mobile Communication							
2013 revenue in 2014 format	238	266	505	286	298	585	1089
2013 revenue as reported	239	266	505	287	300	586	1091
Patents							
2013 revenue in 2014 format	0	16	16	0	2	3	18
2013 revenue as reported	0	16	16	0	1	1	16
Platforms & Services							
2013 revenue in 2014 format	95	113	208	113	139	252	460
2013 revenue as reported	95	113	208	113	141	254	462