



China Telecom and Gemalto present joint innovation for connecting cars and IoT

Mobile World Congress Shanghai, July 15, 2015 - Gemalto (Euronext NL0000400653 GTO), the world leader in digital security, and China Telecom Corporation (China Telecom), one of the largest operators in China with more than 190 million mobile subscribers, are developing a proof-of-concept for connected cars using Gemalto's <u>LingUs On-Demand Connectivity</u> (ODC) subscription management solution. The two companies present a demo at the Mobile World Congress Shanghai to show how remote 'over-the-air' provisioning can enable secure connectivity on mobile devices. Next, they will integrate this ODC solution on vehicles, paving the way for China Telecom's auto-maker customers to offer instant connectivity on cars, anytime and anywhere.

China has the world's fastest-growing automotive market with 154 million car owners¹. Due to traffic congestion and other concerns such as driver safety, emergency assistance, and vehicle durability, there is an increasing demand for connected cars with advanced telematics, navigation, and safety features². The embedded SIMs will allow motorists to enjoy a safe and enjoyable drive, with the flexibility to choose or switch their service subscription throughout the entire lifecycle of their cars.

"Connected cars will form a major element of the Internet of Things (IoT)³," said Dr. Liu Yuan, Vice Chief Engineer at China Telecom Corporation Ltd., Shanghai. "With an international standards organization specifying a single, uniform remote provisioning architecture for embedded UICC⁴, there will be no need for our customers to plan for unique subscription at the manufacturing level, or build device variants for different operators. This will simplify their supply chain logistics for quick worldwide deployment across different service providers, and greatly boost the development of IoT globally."

"By 2025, every new car will include some form of connectivity⁵. This presents an enormous opportunity for increased revenue for all of us," said Suzanne Tong-Li, President for Greater China and Korea at Gemalto. "With unified standards, we can help China Telecom to leverage their 4G networks to capture this strong growth potential market and offer innovative solutions for a safe and pleasant driving experience."

¹ http://news.stcn.com/2015/0618/12311695.shtml

² http://blog.gfk.com/2015/05/what-chinese-drivers-want-from-the-connected-car/

³ http://www.gartner.com/newsroom/id/2970017

⁴ GSMA specifications for remote subscription management

⁵ https://www.broadcom.com/application/connected car.php

About Gemalto

Gemalto (Euronext NL0000400653 GTO) is the world leader in digital security, with 2014 annual revenues of €2.5 billion and blue-chip customers in over 180 countries.

Gemalto helps people trust one another in an increasingly connected digital world. Billions of people want better lifestyles, smarter living environments, and the freedom to communicate, shop, travel, bank, entertain and work – anytime, everywhere – in ways that are enjoyable and safe. In this fast moving mobile and digital environment, we enable companies and administrations to offer a wide range of trusted and convenient services by securing financial transactions, mobile services, public and private clouds, eHealthcare systems, access to eGovernment services, the Internet and internet-of-things and transport ticketing systems.

Gemalto's unique technology portfolio - from advanced cryptographic software embedded in a variety of familiar objects, to highly robust and scalable back-office platforms for authentication, encryption and digital credential management - is delivered by our world-class service teams. Our 14,000 employees operate out of 99 offices, 34 personalization and data centers, and 24 research and software development centers located in 46 countries.

For more information visit <u>www.gemalto.com</u>, <u>www.justaskgemalto.com</u>, <u>blog.gemalto.com</u>, or follow <u>@gemalto</u> on Twitter.

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