

## Gemalto reports first quarter 2010 revenue

- Revenue increases to € 390 million
- Software and services drive growth in Mobile Communication
- Product mix improves in Secure Transactions
- Double digit growth in the Security segment

All figures presented in this press release are unaudited.

Amsterdam, April 29, 2010 - Gemalto (Euronext NL0000400653 - GTO), the world leader in digital security today announced its revenue for the first quarter of 2010.

	Mobile Communication	Secure Transactions	Security	Others	Total Gemalto 2010	Total Gemalto 2009
First quarter revenue	211 M€	95 M€	68 M€	16 M€	390 M€	367 M€
Year-on-year variations at historical exchange rates	+ 10%	( 4%)	+ 13%	+ 2%	+ 6%	-

**Olivier Piou, Chief Executive Officer, commented:** *"This quarter confirms the positive signs we began to see towards the end of last year. Significant expansion in our mobile software and services activities, robust growth in high-end and contactless payment card deployments, and strong performance in Security all reinforce our market leadership. New economies remain active and we are now seeing indications of a gradual recovery in demand from the developed markets."*

## First quarter 2010

All variations in this section are comparing the first quarter 2010 revenue to the first quarter 2009 revenue at constant exchange rates. The financial reporting from one of our joint ventures is not available for Q1 2010 due to legal disputes with the partner. Revenue from this joint venture in Q1 2009 was €7 million in Secure Transactions and €4 million in Security. For a better understanding of Gemalto's year-on-year business evolution the variations at constant exchange rates have been calculated by excluding this joint venture contribution from 2009 revenues.

Total revenue for the first quarter of 2010 was € 390 million, an increase of 8% over 2009 at constant exchange rates. All segments posted revenue expansion.

	Mobile Communication	Secure Transactions	Security	Others	Total Gemalto 2010	Total Gemalto 2009
<b>First quarter revenue</b>	211 M€	95 M€	68 M€	16 M€	<b>390 M€</b>	367 M€
Year-on-year variations at constant exchange rates	+ 9%	+ 1%	+ 21%	+ 1%	<b>+ 8%</b>	-

## Segment information

### Mobile Communication

€ in millions	Q1 2009	Q1 2010
Revenue	192	<b>211</b>
Year-on-year variation at constant exchange rates		<b>+9%</b>

Revenue from software and services more than doubled year on year. Increased investment in this activity, with new service offerings from both bolt-on acquisitions and organic developments, as well as renewed demand from mobile network operators led to this strong performance.

Revenue from the traditional SIM card business was stable year on year. Product mix improved only slightly as the return to large-scale innovation projects continues to be gradual. Demand for Gemalto products in some developed markets showed renewed momentum.

## Secure Transactions

€ in millions	Q1 2009	Q1 2010
Revenue	100	95
Year-on-year variation at constant exchange rates		+ 1%

This quarter saw a return to solid revenue growth of microprocessor payment cards, with strong deliveries driven by worldwide EMV migration and dual interface contactless card deployments. This growth fully compensated for the effect of last year's shift from registered mail to standard mail for card deliveries and for 2010 being a low point in the UK payment card renewal cycle. This quarter also saw the pursuit of new migration projects to the more secure and higher-end Dynamic Data Authentication EMV (Europay MasterCard Visa) payment cards in Europe.

## Security

€ in millions	Q1 2009	Q1 2010
Revenue	60	68
Year-on-year variation at constant exchange rates		+ 21%

Security recorded another quarter of double-digit revenue growth with positive developments in all activities.

Government Programs posted 17% year-on-year revenue growth as solid e-Passport deliveries were augmented by the ramp-up of national e-Identity card programs. Identity and Access Management (IAM) revenue expanded by 25% with strong performance in e-banking solutions and a gradual recovery in enterprise security solutions. Patent licensing revenue was up by € 2 million to € 9 million during this quarter.

## Others

€ in millions	Q1 2009	Q1 2010
Revenue	16	16
Year-on-year variation at constant rates		+ 1%

Solid growth was recorded in Point of sales terminals revenue. Cards sales for fixed line Public Telephony continued to decline, as usage is substituted by mobile telephony.

## Outlook

Our business has strong fundamentals and prospects. We continue our mission to provide trust and convenience to the wireless and digital world. In 2010 we are focused on growth, actively promoting our expanded product portfolio and delivering more software and services to our customers, in order to further increase our profit, on our way to achieving the objective we have set for ourselves of € 300 million profit from operations in 2013.

## Financial calendar

### Annual General Meeting

The next Annual General Meeting of shareholders will be held on Wednesday **May 19th, 2010** at 10:00 a.m. CET. The meeting will take place at the Sheraton Amsterdam Airport Hotel & Conference Center, Schiphol Boulevard 101, 1118 BG, Schiphol Airport, the Netherlands.

For further information please refer to [www.gemalto.com/investors/agm/agm-2010/index.html](http://www.gemalto.com/investors/agm/agm-2010/index.html) on Gemalto's investor website.

### Financial reporting

First semester 2010 revenue and earnings will be reported on Thursday **August 26, 2010**, before the opening of Euronext Paris.

### Conference call

Gemalto first quarter 2010 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](http://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 dialling:

(UK) +44 203 367 9456 or (US) +1 866 907 5925 or (FR) +33 1 7200 1368.

The accompanying presentation slide set will be integrated into the webcast and will also be available for download on our Investor Relations web site at noon Paris time (11am London time, 6am New York time).

Replays of the presentation and Q&A session will be available in webcast format from approximately 3 hours after the conclusion of the presentation, through our Investor Relations web site. Replays will be available for one year.

Investor Relations  
Vincent Biraud  
M.: +33(0) 6 08 48 33 23  
[vincent.biraud@gemalto.com](mailto:vincent.biraud@gemalto.com)

Corporate Communication  
Isabelle Marand  
M.: +33(0) 6 14 89 18 17  
[isabelle.marand@gemalto.com](mailto:isabelle.marand@gemalto.com)

## About Gemalto

Gemalto (Euronext NL 0000400653 GTO) is the world leader in digital security with 2009 annual revenues of €1.65 billion, and over 10,000 employees operating out of 75 offices, with research and service centers in 41 countries.

Gemalto is at the heart of our evolving digital society. The freedom to communicate, travel, shop, bank, entertain, and work—anytime, anywhere—has become an integral part of what people want and expect, in ways that are convenient, enjoyable and secure.

Gemalto delivers on the growing demands of billions of people worldwide for mobile connectivity, identity and data protection, credit card safety, health and transportation services, e-government and national security. We do this by supplying to governments, wireless operators, banks and enterprises a wide range of secure personal devices, such as subscriber identification modules (SIM), Universal Integrated Circuit Cards (UICC) in mobile phones, smart banking cards, smart card access badges, electronic passports, and USB tokens for online identity protection. To complete the solution we also provide software, systems and services to help our customers achieve their goals.

As the use of Gemalto's software and secure devices increases with the number of people interacting in the digital and wireless world, the company is poised to thrive over the coming years.

For more information please visit [www.gemalto.com](http://www.gemalto.com).

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: the ability of the company's to integrate according to expectations; the ability of the company to achieve the expected synergies from the combination; trends in wireless communication and mobile commerce markets; the company's ability to develop new technology and the effects of competing technologies developed and expected intense competition generally in the companies' main markets; profitability of expansion strategy; 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 and services; the effect of the combination and any future acquisitions and investments on the company's share prices; 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 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 otherwise required by applicable law or regulations.

Appendices

All variations in these appendices are comparing the first quarter 2010 revenue to the first quarter 2009 revenue. The financial reporting from one of our joint ventures is not available for Q1 2010 due to legal disputes with the partner. Revenue from this joint venture in Q1 2009 was €7 million in Secure Transactions and €4 million in Security. For a better understanding of Gemalto's year-on-year business evolution the variations at constant exchange rates presented in appendices 2 and 3 have been calculated by excluding this joint venture contribution from 2009 revenues. All figures presented are unaudited.

**Appendix 1**

Deliveries of secure personal devices

In millions of units	First quarter 2009	First quarter 2010	% growth
SIM cards	247	287	+ 16%
Secure Transactions	69	81	+ 17%
Security	13	13	+ 7%
<b>Total</b>	<b>329</b>	<b>381</b>	<b>+ 16%</b>

SIM card average selling price was lower year-on-year by 18% at constant exchange rates.

**Appendix 2**

First quarter revenue by region

€ in millions	First quarter 2009	First quarter 2010	Year-on-year variation at historical exchange rates	Year-on-year variation at constant exchange rates
EMEA	192	218	+ 14%	+ 13%
North & South America	101	92	( 9%)	( 11%)
Asia	74	80	+ 7%	+ 26%
<b>Total revenue</b>	<b>367</b>	<b>390</b>	<b>+ 6%</b>	<b>+ 8%</b>

**Appendix 3**

First quarter revenue by business segment

€ in millions	First quarter 2009	First quarter 2010	Year-on-year variation at historical exchange rates	Year-on-year variation at constant exchange rates
Mobile Communication	192	<b>211</b>	+ 10%	+ 9%
Secure Transactions	100	<b>95</b>	(4%)	+ 1%
Security	60	<b>68</b>	+ 13%	+ 21%
Others	16	<b>16</b>	+ 2%	+ 1%
<b>Total revenue</b>	<b>367</b>	<b>390</b>	<b>+ 6%</b>	<b>+ 8%</b>

**Appendix 4**

Average exchange rates between the Euro and the US dollar

EUR/USD	2009	2010
First quarter	1.33	1.40
Second quarter	1.34	
<b>First half</b>	<b>1.34</b>	
Third quarter	1.41	
Fourth quarter	1.47	
<b>Second half</b>	<b>1.44</b>	
<b>Full year</b>	<b>1.39</b>	