

Gemalto acquires Cinterion, the global leader in Machine-to-Machine

Combining Cinterion's wireless modules expertise with Gemalto's "over the air" platforms will accelerate the deployment of "Smart Machines"

Amsterdam, June 29, 2010 – Gemalto (Euronext NL 0000400653 GTO), the world leader in digital security, announces today the acquisition of Cinterion Wireless Modules GmbH (CWM). Cinterion is the leading provider of industrial Machine-to-Machine (M2M) wireless communication modules, with 2009 M2M revenues of €145 million, EBIT of €4 million and approximately 20% market share. Cinterion, which uses a fabless business model, employs 335 staff with major centers in Munich and Berlin, Germany. The business was started by Siemens in 1995 and spun out to a financial sponsor consortium in 2008.

Building on the investments made in the last twenty years by mobile network operators worldwide that provide wireless data coverage in almost every part of the world, wireless M2M applications are increasingly revolutionizing businesses by enabling simple and cost-effective connectivity for a variety of applications. These include among others: remote monitoring of utility meters or patients at home, tracking of high value items or stolen vehicles and optimized real time management of fleets, smart energy grids for more efficient energy consumption and air pollution detection systems for urban reduction programs in CO₂ emissions.

Combining Cinterion's M2M module technology with Gemalto expertise in deploying software and services for mobile network operators will provide simple to deploy M2M solutions with proven security and demonstrated remote "over-the-air" management of devices for industrial companies, for administrations and for mobile network operators which are increasingly seeking to offer M2M communication services. Technology research specialist Gartner projects year-on-year volume growth rates of 25% from 2009 to 2013, making M2M one of the fastest growing segments in the mobile data business.

Gemalto will pay €163 million in cash for the CWM business, approximately one time annual sales. The closing of the transaction is expected within the next six weeks. The acquisition will be immediately accretive to Gemalto's 2010 earnings per share and should contribute around €20 million to Gemalto's profit from operations target of €300 million in 2013. Cinterion's business results will be reported as part of a new segment that will regroup Gemalto's activity in this domain, called M2M, to reflect its value and strong growth potential.

"We are taking the leadership position in a fast growing market, the market of Smart Machines that paves the way to the "internet of things" commented Olivier Piou, Chief Executive Officer of Gemalto. Together with Cinterion we can address the strong interest of our largest customers, the mobile network operators in M2M and team up with them to offer the M2M market the right combination of advanced software, premium devices and remote management services that has historically been successful in our SIM card business. Cinterion is a high-quality company, with an impressive track record of market leadership, excellent management and strong values: we look forward to accelerating their development in Gemalto".

"We are very pleased to join Gemalto" added Norbert Muhrer, Chief Executive Officer of Cinterion. "Gemalto has the financial strength and management vision to deliver on the potential of the M2M market and will provide the ideal growth platform for us. We will continue to run our M2M module business and serve our customers as in the past, while leveraging Gemalto's strong relationship with mobile operators and excellent capabilities in remote device management to facilitate M2M roll out. This combination represents a unique offering in the market."

Live Conference call

Gemalto will host a conference call today in English today at 11:00 am Paris time (10:00 am London time and 5:00 am New York time).

Investors and financial analysts wishing to participate to this conference call may dial:

+44 (0)20 7784 1036 or +1 718 354 1152 or +33 (0)1 70 99 42 84

The presentation slide show will be available for download on our Investor Relations web site (www.gemalto.com/investors) at 10:30 am Paris time (9:30 am London time, 4:30 am New York time).

Replays of the conference call will be available from approximately 3 hours after the conclusion of the presentation and until July 22, 2010 by dialling

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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.

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