

Paris La Défense, Amsterdam, 12 January 2018

Update on the intended offer by Thales for Gemalto

Reference is made to the joint press release by Thales (Euronext Paris: HO) and Gemalto (Euronext Amsterdam and Paris: GTO) dated 17 December 2017 in respect of the intended recommended all-cash offer by Thales for all the issued and outstanding ordinary shares in the capital of Gemalto at an offer price of €51.00 per share cum dividend (the "Offer").

Pursuant to the provisions of Section 7, paragraph 1 sub a of the Decree, requiring a public announcement including a status update regarding an intended public offer within four weeks following its announcement, Thales and Gemalto hereby provide this joint update on the Offer.

Thales and Gemalto confirm that they are making good progress on the preparation for the Offer. Thales expects to submit a request for review and approval of the offer document in relation to the Offer with the Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten) during the week beginning 29 January 2018, which is before the applicable deadline under Dutch law.

In addition, Thales and Gemalto confirm that the process to obtain the required regulatory approvals and clearances for the Offer is proceeding. The transaction is expected to close shortly after Thales has secured all customary regulatory approvals and clearances, which is anticipated in the second half of 2018.

This is a joint press release by Thales and Gemalto pursuant to Section 7 paragraph 1 sub a of the Dutch Decree on Public Takeover Bids (Besluit openbare biedingen Wft, the "Decree") in connection with the intended public offer by Thales for all the issued and outstanding shares in the capital of Gemalto. This announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in Gemalto. Any offer will be made only by means of an offer memorandum.

About Thales

Thales is a global technology leader for the Aerospace, Transport, Defence & Security markets. Thanks to its 64,000 employees in 56 countries, Thales recorded sales of €14.9 billion in 2016. With over 25,000 engineers and researchers, Thales has a unique capability to design and deploy equipment, systems and services to meet the most complex security requirements. Its unique international footprint allows it to work closely with its customers all over the world.

www.thalesgroup.com

About Gemalto

Gemalto is the global leader in digital security, with 2016 annual revenues of €3.1 billion and customers in over 180 countries. We bring trust to an increasingly connected world.

From secure software to biometrics and encryption, our technologies and services enable businesses and governments to authenticate identities and protect data so they stay safe and enable services in personal devices, connected objects, the cloud and in between.

Gemalto's solutions are at the heart of modern life, from payment to enterprise security and the internet of things. We authenticate people, transactions and objects, encrypt data and create value for software – enabling our clients to deliver secure digital services for billions of individuals and things.

Our 15,000 employees operate out of 112 offices, 43 personalization and data centers, and 30 research and software development centers located in 48 countries.

www.gemalto.com

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Notice to U.S. holders of Gemalto Shares

The Offer will be made for the securities of Gemalto, a public limited liability company incorporated under Dutch Law, and is subject to Dutch disclosure and procedural requirements, which are different from those of the United States of America. The Offer will be made in the United States of America in compliance with Section 14(e) of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), and the applicable rules and regulations promulgated thereunder, including Regulation 14E (subject to any exemptions or relief therefrom, if applicable) and otherwise in accordance with the requirements of Dutch law. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to the Offer timetable, settlement procedures, withdrawal, waiver of conditions and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and laws.

The receipt of cash pursuant to the Offer by a U.S. holder of Gemalto Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of Gemalto shares is urged to consult his independent professional advisor immediately regarding the tax consequences of accepting the Offer.

To the extent permissible under applicable laws and regulations, including Rule 14e-5 under the U.S. Exchange Act, and in accordance with normal Dutch practice, Thales and its affiliates or its broker and its broker's affiliates (acting as agents or on behalf of Thales or its affiliates, as applicable) may from time to time after the date hereof, and other than pursuant to the Offer, directly or indirectly purchase, or arrange to purchase Shares or any securities that are convertible into, exchangeable for or exercisable for such Shares. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. In no event will any such purchases be made for a price per Share that is greater than the Offer Price. To the extent information about such purchases or arrangements to purchase is made public in The Netherlands, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of Gemalto of such information. No purchases will be made outside of the Offer in the United States of America by or on behalf of the Thales or its affiliates. In addition, the financial advisors to Thales may also engage in ordinary course trading activities in securities of Gemalto, which may include purchases or arrangements to purchase such securities. To the extent required in The Netherlands, any information about such purchases will be announced by press release in accordance with Article 13 of the Decree and posted on the website of the Offeror at www.thalesgroup.com.

Restrictions

The distribution of this press release may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. To the fullest extent permitted by applicable law, Thales and Gemalto disclaim any responsibility or liability for the violation of any such restrictions by any person. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Neither Thales, nor Gemalto, nor any of their advisors assumes any responsibility for any violation by any of these restrictions. Any Gemalto shareholder who is in any doubt as to his position should consult an appropriate professional advisor without delay. This announcement is not to be published or distributed in or to Australia, Canada or Japan.

Forward Looking Statements

This press release may include "forward-looking statements" and language indicating trends, such as the words "anticipate", "expect", "approximate", "believe", "could", "should", "will", "intend", "may", "potential" and other similar expressions. These forward-looking statements are only based upon currently available information and speak only as of the date of this press release. Such forward-looking statements are based upon management's current expectations and are subject to a significant business, economic and competitive risks, uncertainties and contingencies, many of which are unknown and many of which Thales and Gemalto are unable to predict or control. Such factors may cause Thales and/or Gemalto's actual results, performance or plans with respect to the transaction between Thales and Gemalto to differ materially from any future results, performance or plans expressed or implied by such forward-looking statements. Neither Thales nor Gemalto, nor any of their advisors accepts any responsibility for any financial information contained in this press release relating to the business or operations or results or financial condition of the other or their respective groups. We expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Additional information and where to find it

This press release does not constitute or form a part of any offer to sell or exchange or the solicitation of an offer to buy or exchange any securities. SHAREHOLDERS OF GEMALTO AND OTHER INVESTORS ARE URGED TO READ THE OFFER MEMORANDUM (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) REGARDING THE PROPOSED TRANSACTION WHEN THEY BECOME AVAILABLE BECAUSE THIS WILL CONTAIN IMPORTANT INFORMATION. Gemalto shareholders will be able to obtain a free copy of the offer memorandum, as well as other filings containing information about Thales, without charge, at the website of Thales (www.thalesgroup.com). Copies of the offer memorandum and the filings that will be incorporated by reference therein can also be obtained, without charge, by directing a request to Thales's Investor Relations Department.