



PRESS RELEASE

Eurosmart Welcomes Growing Political Awareness for Digital Agenda

Shipments of secure elements up by over 12% in 2014

Brussels, May 6, 2015 – Eurosmart, the Voice of the Smart Security Industry, released the 2014 figures for the worldwide secure elements shipments and the smart secure contactless markets as well as the corresponding 2015 forecast. The data provided by Eurosmart consist of the consolidated figures supplied by its member companies which comprise all major players in the industry. They are the reference point for information on and in the industry.

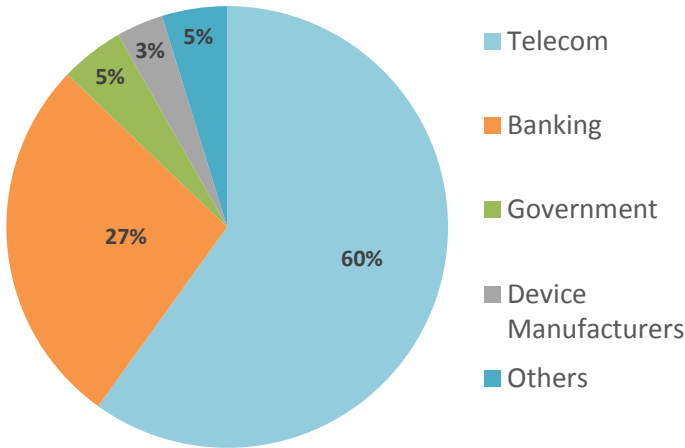
“The markets grew by over 12% in 2014, and we expect to see a similar growth in 2015 when the market should cross over the 9 billion devices mark”, said Timothée Mangenot, Eurosmart’s newly elected President. “All figures are up from 2013, with financial services being the most notable growth drivers. The hyperconnected world, as also outlined in our vision paper, is fast becoming reality. Eurosmart has long been promoting trust as well as the protection of data and privacy as key issues for secure transactions in this hyperconnected world. It is good to see the many initiatives and agendas that have been established to that effect in the European commission in the past year. We welcome especially the intergroup of the European Parliament that has been set up to work on the Digital Agenda for Europe.”

As evidenced by the European Digital Single Market Strategy released today, the European Commission will also put more efforts and launch new initiatives to build the necessary trust for the development of electronic services, to reinforce online privacy, and to ensure strong cyber security. “All of these topics have been addressed by Eurosmart for years. It is good to see them becoming a core issue at the European Commission,” Mangenot stated.

Growth drivers in the market

The continued migration to LTE networks drives the use of multiple connected devices – including smart phones and tablets, equipped with a secure SIM card – and allows the SIM card market to be back in full force, with 5,2 billion units shipped in 2014, as recently announced by the SIMalliance. The increasing connectivity caused by the internet of things and machine-to-machine applications reinforces this trend. The announcement of Apply Pay boosted the NFC market to an all-time high with 350 million NFC secure elements shipped in 2014. “We expect the growth in NFC secure elements to continue”, said Mangenot. “This particular technology is finally taking off.”

Worldwide Secure Elements shipments in 2015 by Sector



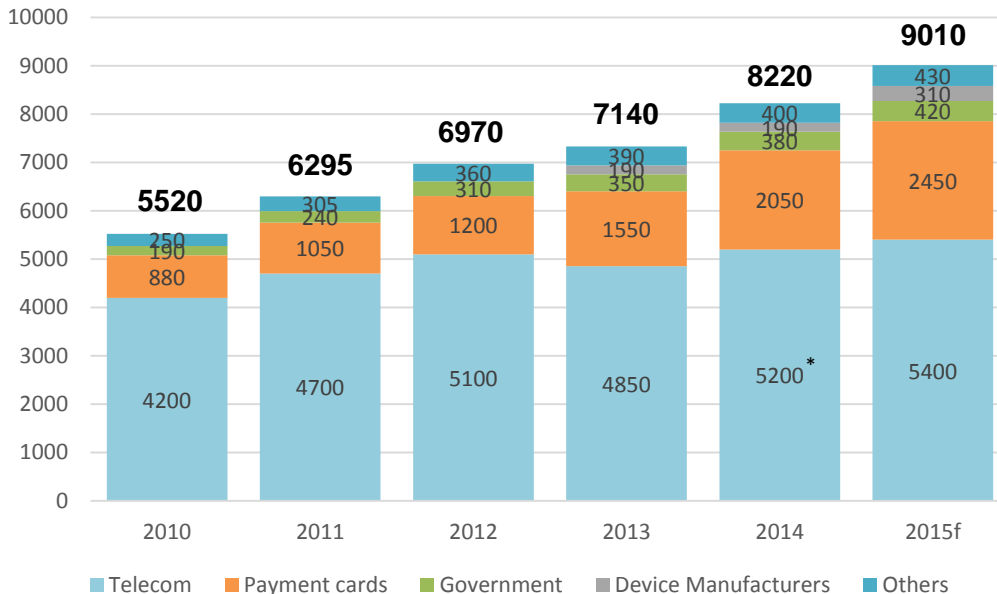
The main growth driver for payment cards was and is once again the migration to EMV cards – cards equipped with a chip instead of a magnetic stripe only – Mangenot: “The Smart Security Industry has long recommended the switch from magnetic stripes to chip cards as it is empirically proven that there is a direct correlation between the use of a chip and the security of the card. Almost 70% of all payment cards shipped are now equipped with a chip.”

With regard to the traditional third growth driver, the digitalization of government services, Mangenot expects governments to speed up both their legislation and the

implementation of the corresponding technologies: “Secure and convenient identification and authentication in mobile telecommunications, payment, identity, healthcare or transport are indispensable. It is key for citizens to trust their government’s e-services such as electronic passports, electronic vehicle registration card and electronic driving licences, electronic health cards and electronic ID cards”, said Mangenot. The Eurosmart president urged governments to establish standards for the secure electronic authentication and signature. “Citizens must be able to rely on the protection of their data and privacy. The Smart Security Industry offers products, solutions and services that enable governments to provide secure e-government transactions.”

Evolution of Secure Elements shipments from 2010 to 2015f - (Million of units)

Source: Eurosmart, April 2015



Shipments of secure elements are reported by issuing entity:

- Telecom represents Mobile Network Operators, Banking represents banks, Government represent public authorities as well as private healthcare organizations
- Device manufacturers represent Original Equipment Manufacturers of mobile phones, tablets, navigation devices and other connected devices
- Others include shipments from entities issuing Transport, PayTV and Physical and logical access cards

* Source SIMAlliance

Worldwide Secure Elements shipment – 2013 & 2014 shipments and 2015 forecasts (Million of units)

Source: Eurosmart, April 2015

WW shipments forecast	2013	2014	2015f	2015f vs 2014 % growth
Telecom	4,850*	5,200*	5400	3,8%
Banking	1,550	2050	2450	19,5%
Government	350	380	420	10,5%
Device Manufacturers	190	190	310	63,2%
Others**	390	400	430	7,5%
Total	7,140	8,220	9,010	9,6%

* Source SIMAlliance

**Others include Transport, PayTV and physical and logical access cards.

Worldwide Smart Secure Contactless market figures – 2013 & 2014 shipments and 2015 forecasts (Million of units)

(Million of units)

Source: Eurosmart, April 2015

Of which contactless	2013	2014	2015f	2015f vs 2014 % growth
Financial services	590	880	1050	19,3%
Government – Healthcare	200	230	260	13,2%
Transport	160	180	210	16,7%
Others*	70	70	70	0%
Total	1,020	1,360	1,590	17%

*Others include Transport, PayTV and physical and logical access cards.

WW shipment forecast	2013	2014	2015f	2015f vs 2014 % growth
NFC Secure Elements	270	350	550	57,1%

During its General Assembly, Eurosmart elected a new Board, which now consists of:

Timothée Manganot (Giesecke & Devrient): President

Stefano Mouille (Gemalto): Vice President

Nicolas Raffin (Oberthur Technologies): Vice President

Boris Reis (Infineon Technologies): Treasurer

Didier Sallé: General Secretary (not elected)

About Eurosmart

Eurosmart is an international non-profit association located in Brussels and representing the smart security industry for multisector applications. Founded in 1995, the association is committed to improving the quality of the security applications in the world's smart secure devices, to developing smart security standards and to expanding the world's smart secure devices market. Members are manufacturers of smart cards, semiconductors, terminals, equipment for smart cards system integrators as well as application developers and issuers who work in dedicated committees (security management, electronic identity, communication, marketing & technology, mobile trust, product & system security).

Eurosmart is acknowledged as representing "the Voice of the Smart Security Industry".

For more information, please visit www.eurosmart.com

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