worldline
e-payment services

Press Release

2015 annual results

All 2015 objectives reached:

Revenue: € 1,227 million, up +4.4% organically
OMDA up +50bp to €235 million, 19.2% of revenue
Free cash flow: € 128 million (+12%);

Equens transaction: closing confirmed in Q2 2016 and "day-one readiness"well on track

New Alliance in Commercial acquiring with KOMERČNÍ BANKA in the Czech Republic

2016 objective: further improvement in revenue, profitability and free cash flow, comforting the 2017 ambition

Bezons, February 23rd, 2016 – Worldline [Euronext: WLN], European leader in the payments and transactional services industry, today announced its 2015 annual results.

Gilles Grapinet, Worldline CEO said:

"2015 was a robust year for Worldline and results were totally in line with our objectives. I would like to stress the organic growth acceleration, which was particularly sustained in financial processing and in merchant services during the second half of the year. We are very satisfied with the business model of the Company, which benefits from the strong growth of transaction volumes, from the commercial success of its technological innovations and from the positive results of its international cross selling strategy.

In addition, the Group has announced in Q4 2015 a major external growth transaction with Equens, which reinforces its position of leader in continental Europe and for which we confirm the closing in Q2 2016. We announce today a new transaction, this time in commercial acquiring, setting up an alliance with KOMERČNÍ BANKA (KB), subsidiary of the Société Générale group and one of the leading banking groups in the Czech Republic.

Based on its operational dynamic, on the quality of its teams and on its strong balance sheet, the Group has reinforced its strategic flexibility and intends to keep playing a central role in the consolidation of the European payment industry."

Thierry Breton, Chairman of the Board of Directors of Worldline said:

"The Worldline Board of Directors has underlined in its last meeting, the remarkable evolution of Worldline which has delivered over the last 18 months a performance perfectly in line with its 2017 ambition. It demonstrates the strengths of the Company, the relevance of its strategy and its ideal positioning for the next phase of consolidation of the European Payment Industry.

It also demonstrates the effectiveness of the transition period of executive governance of the Company, where M. Grapinet devotes 2/3 of its time managing the Company as CEO while, as Atos Group SEVP in charge of Global functions, he can ensure in parallel a very efficient interaction of Worldline with the rest of the Atos Group.

In the context of the contemplated merger of Worldline and Equens operations, and given the associated need to fully mobilize all the integration know-how and proven capabilities of Atos Group, the Worldline Board of Directors, based on the recommendation from the Nomination and Remuneration Committee, has unanimously decided to extend for another 12 to 18 months the current governance structure of the Company.

2015 key figures

For the analysis of the Group's performance, revenue and OMDA for 2015 is compared with 2014 revenue and OMDA at constant scope and exchange rates. Performance for 2015, on a like-for-like basis compared with 2014, was as follows:

	2015 key figures		
In € million	**FY 2015**	**FY 2014***	**% Growth**
Revenue	**1,227.0**	**1,175.5**	**+4.4%**
Operating Margin before Depreciation and Amortization	**235.3**	**219.5**	**+7.2%**
% of revenue	*19.2%*	*18.7%*	*+50bp*
Net income Group share	**103.4**	**100.4**	**+3.0%**
% of revenue	*8.4%*	*8.5%*	
Adjusted net income Group share**	**117.9**	**113.8**	**+3.6%**
% of revenue	*9.6%*	*9.7%*	
Free cash flow	**128.5**	**114.4**	**+12.3%**
Closing net cash	**323.3**	**203.1**	

** At constant scope and 2015 exchange rates*

*** Adjusted on restructuring, rationalization, integration and acquisition charges, disposals, carve-out and PPA amortization, net of tax*

Worldline revenue has been growing constantly since the beginning of 2015 to reach **€ 1,227.0 million**, up **+4.4%** organically compared with last year. All three Global Business Lines contributed to the revenue growth, with a strong acceleration during the second semester of Merchant Services & terminals and Financial Processing & Software Licensing which grew altogether at above +6% in Q4 2015.

The Group's **OMDA** improved by **+50bp**, reaching **€ 235.3 million** or 19.2% of sales fully in line with the guidance for the year.

Net income Group share stood at **€ 103.4 million** and **net income group share adjusted** for non-recurring expenses reached **€ 117.9 million**, which compares to € 113.8 million in 2014.

Diluted adjusted earnings per share[1] was **€ 0.89** in 2015, compared with €0.86 in 2014 (+3.5%).

Free cash flow in 2015 was **€ 128.5 million**, exceeding the € 120 million to € 125 million target set for the year and increasing by 12.3% compared with 2014.

[1] EPS including the impacts of potentially dilutive instruments, calculated on the net result adjusted for non-recurring items, net of tax (€+14.5 million in 2015 and €+13.4 million in 2014) and based for the year 2014 on the number of shares existing as at December 31, 2014

Overview of the 2015 operational performance by Global Business Line

	Revenue			OMDA		OMDA %	
In € million	FY 2015	FY 2014*	% Growth	FY 2015	FY 2014*	FY 2015	FY 2014*
Merchant Services & Terminals	401.9	379.2	+6.0%	77.8	80.4	19.4%	21.2%
Financial Processing & Software Licensing	413.8	402.4	+2.8%	107.7	101.4	26.0%	25.2%
Mobility & e-Transactional Services	411.3	393.8	+4.4%	68.3	54.9	16.6%	13.9%
Corporate Costs				-18.5	-17.2	-1.5%	-1.5%
Worldline	**1,227.0**	**1,175.5**	**+4.4%**	**235.3**	**219.5**	**19.2%**	**18.7%**

* At constant scope and 2015 exchange rates

Merchant Services & Terminals

Merchant Services & Terminals **revenue** stood at **€ 401.9 million**, growing by **+6.0%** at constant scope and exchange rates compared with 2014. This was primarily driven by the acceleration of growth in *Commercial Acquiring* activities along the year, thanks notably to volume increase in online transactions and international expansion. The *Payment Terminal* business grew alongside with *Commercial Acquiring* and also expanded, both in Benelux and in other geographies through newly developed distribution channels. *Private Label Cards & Loyalty Services'* activity also increased, notably with strong sales of Digital Self Service Kiosks. Overall, the good trends in these 3 divisions more than compensated less project activity in *Online Services*.

Merchant Services & Terminals **OMDA** reached **€ 77.8 million** or **19.4%** of revenue (**-180 basis points** year-on-year). As part of the strategy to grow in international markets and in added value services, a strategic investment was made as planned in 2015 in *Commercial Acquiring*, in particular in sales, marketing and product development, temporarily reducing the OMDA of the Global Business Line, especially during the first semester. Hence, OMDA decreased in H1 2015 (€-3.7 million), but as anticipated significantly accelerated in the second half of the year exceeding H2 2014 OMDA in value terms (€+1.1 million), thanks to volume increase as a result of successful commercial actions which will support further acceleration in 2016.

Financial Processing & Software Licensing

Revenue for Financial Processing & Software Licensing was **€ 413.8 million**, up **+2.8%** organically. All four divisions contributed to the growth of the Global Business Line. *Online Banking* confirmed its dynamism with new contracts signed and continued growth in SEPA transaction volumes. In *Payment Software Licensing,* strong license sales were recorded in Asia, France and Germany. *Issuing processing* benefited from the strong activity in Authentication services in France, Belgium and Germany (3D secure, Trusted Authentication and e-Wallets). *Acquiring Processing* also accelerated mainly in France, thanks to volume increase.

Financial Processing & Software Licensing reached an **OMDA** of **26.0% (€ 107.7 million**), **+80 basis points** compared to 2014, mainly benefiting from new product implementation in Germany and revenue growth in APAC for *Payment Software Licensing*, from volume increase and project work in *Online Banking Services*, and from revenue growth and favorable sales' mix due to added value services in *Acquiring Processing*. The implementation of the TEAM program and the efficiency gains on the IT infrastructure also contributed to the margin improvement.

Mobility & e-Transactional Services

Revenue in Mobility & e-Transactional Services was **€ 411.3 million**, up **+4.4%** compared with 2014. That growth was fueled by each of the three divisions. *e-Consumer & Mobility* strongly grew thanks to positive trends and new contracts won in Connected Living activities in continental Europe. *e-Ticketing* activities kept expanding thanks to business volume, price increase and project work in Latin America. Despite the termination of the VOSA contract at the end of Q3, *e-Government collection* slightly grew thanks to new contracts in Argentina, Benelux and France.

Mobility & e-Transactional Services **OMDA** reached **€ 68.3 million** or **16.6%** of revenue, increasing by **+270 basis points** (€+13.4 million). This margin improvement was driven by a number of initiatives. In *e-Ticketing,* profitability improved thanks to new business, contract renegotiations and fertilization. *e-Government collection* benefitted from favorable price and volume effects in the UK and in Latin America. A strong revenue increase was recorded in *e-Consumer & Mobility*, which contributed to increase the OMDA margin of the Global Business Line. Last, indirect and central costs decreased, notably in the United Kingdom.

Corporate costs

Corporate costs were stable compared with 2014 and represent 1.5% of revenue. The slight increase in absolute value reflects the re-enforcement of the management team after the IPO of the company in 2014.

Commercial activity per Global Business Lines

The commercial activity in **Merchant Services & Terminals** accelerated during the year, not only by the successful sales initiatives in *Commercial Acquiring* and the international development of the new range of *Payment Terminals* aforementioned, but also by the renewal of strategic long-term contracts in electronic payment acceptance and the international expansion of Worldline's offerings, materialized notably through contracts signed in Norway (transit fare system based on NFC payment cards for Flytoget) and in India (closed loop meal and gift card program for Sodexo and pre-paid and loyalty solution for Select City Walk). Several contracts were signed as well in Digital retail, notably with in-store interactive signage applications implemented for large retailers, enabling to complete a purchase in an omni-commerce and cross channel environment.

In **Financial Processing & Software Licensing,** 2015 key commercial results included the renewal of all issuing and acquiring processing contracts that had reached their terms and the confirmed interest of Worldline's clients for payment security offers (notably Trusted Authentication and 3D-Secure). New clients were signed in *Financial Processing*: Agence France Locale for an end-to-end online loan management service and a consortium of 9 Luxemburg banks for a 3D-Secure solution. Through Worldline's close relationship with leading Chinese and ASEAN banks, new contracts were also signed in *Payment Software Licensing*. Overall, the benefits of the international cross selling strategy initiated in July 2013 were confirmed by the successful expansion of the Global Business Line in new markets: in Eastern Europe, a Czech Bank will implement the Group's mobile-payment solution based on HCE technology and a payment processing contract was signed with CreditBul (Bulgaria); while in Asia, 3D-Secure solution and Fraud Management Systems are being implemented for several local banks.

In **Mobility & e-Transactional Services**, several large contract renewals were secured, notably in Argentina for a tax e-collection service with the Salta province. New clients were signed notably for a secured taxation solution in the Baltics, a secured digital processing platform in healthcare in France, and for a significant Connected Vehicle project. In e-Ticketing, the Company successfully sold new added-value products, such as Worldline's next generation of Mobile Ticket Issuing System. Regarding automated traffic offence processing systems, a new system was sold in Luxemburg and the contract in Spain was renewed for an additional two years. As already communicated early November 2015, the Group has not been chosen by the French administration for the renewal of the most important lot of the automated traffic offence processing contract. The current contract, which represents c.5% of the total revenue of the company, has been nonetheless extended to run until June 2016.

Full backlog was stable at **€1.7 billion**, representing **1.5 years of revenue**.

The **weighted qualified pipeline** remains healthy, with several large contracts expected to be signed in the next few quarters, particularly around *Private Label Cards* in Merchant Services, *Issuing Processing* in Financial Processing & Software Licensing as well as *Connected Living* offers and *e-Ticketing* in Mobility & e-Transaction Services .

Operating income and net income

Depreciation, amortization and Other non-cash items was **€ 60.4 million**.

Operating margin progressed to **€ 174.9 million** representing **14.3% of sales**.

Non-recurring costs amounted to **€ 26.8 million** and consisted mainly in integration and acquisition costs pertaining to the Equens and Paysquare transactions as well as costs related to the implementation of the Company's target operating model and to the TEAM program design.

Financial result was a charge of **€ 5.9 million** and the **tax charge** represented **€ 38.8 million** (**effective tax rate** of **27.3%**).

As the result of the items above, **net income** was **€ 103.4 million**.

Net cash and free Cash Flow

Worldline **free cash flow**, exceeding the 2015 objectives of between € 120 million to €125 million, was € **128.5 million**.

Visa shares

As a principal member of Visa Europe, the Group has been informed that it is eligible to receive part of the purchase price of Visa Europe by Visa Inc. as part as the transaction announced in November. Based on the information provided by Visa Europe, the expected proceeds amount to € 44.9 million.

In the 2015 financial statements, the investment in Visa Europe has been reevaluated in the balance sheet with no impact on the profit and loss statements.

Major alliance in Merchant Services in Central Europe

As part of its expansion strategy in Merchant Services and Commercial Acquiring, Worldline announces today an agreement with KOMERČNÍ BANKA (KB), subsidiary of the Société Générale group and one of the leading banks in the Czech Republic, to further develop product and services for the Czech merchants.

Dividend

During its meeting held on February 22, 2016 and considering the strategic priority given in 2016 to the development of the Company, the Board of Directors decided to propose at the next Annual General Meeting of Shareholders not to distribute any dividend on the 2015 results

2016 Objectives

The guidance does not include any contribution from Equens and will be updated after the closing of this transaction to take into consideration the Equens contribution after closing

Revenue

The Group expects to achieve organic growth of its revenue, at constant scope and exchange rates, of **circa +3%**.

OMDA

The Group has the objective to increase the OMDA margin by circa **+80 basis points** compared to 2015.

Free cash flow

The Group has the ambition to generate free cash flow of **between € 135 million and € 140 million**, including the exceptional cash-out linked to the acquisition costs (c. € 12 million) related to Equens.

Appendix: Statutory to constant scope and exchange rates reconciliation

In € million	Revenue FY 2014 statutory (reported)	Exchange rates effect	FY 2014*
Merchant Services & Terminals	373.8	+5.5	379.2
Financial Processing & Software Licensing	396.1	+6.3	402.4
Mobility & e-Transactional Services	379.4	+14.4	393.8
Worldline	**1,149.3**	**+26.2**	**1,175.5**

* At constant scope and 2015 exchange rates

In € million	OMDA FY 2014 statutory (reported)	Exchange rates effect	FY 2014*
Merchant Services & Terminals	80.8	-0.4	80.4
Financial Processing & Software Licensing	99.6	+1.8	101.4
Mobility & e-Transactional Services	51.9	+3.0	54.9
Corporate	-17.2		-17.2
Worldline	**215.1**	**+4.4**	**219.5**

* At constant scope and 2015 exchange rates

Exchange rate effects reflect mostly the depreciation of the Euro versus the British Pound and Asian currencies. Please note that there was no change in scope compared with the same period last year.

The 2014 revenue and OMDA figures presented "at constant scope and 2015 exchange rates" in this press release are based on the 2015 foreign exchange rates data.

Conference call

Today, Tuesday, February 23rd, 2016 at 6:15 pm (CET – Paris), CEO Gilles Grapinet, along with General Manager Marc-Henri Desportes, and Chief Financial Officer Bruno Vaffier will comment on the Group 2015 results.

You can join the **webcast** of the conference:

- on worldline.com, in the Investors section

- by smartphones or tablets through the scan of :
  Webcast direct link

- by telephone with the dial-in:

France	+33 1 76 77 22 31
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United Kingdom	+44 20 3427 1912
United States of America	+1 212 444 0481
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After the conference, a replay of the webcast will be available on worldline.com, in the Investors section

Forthcoming event

April 20th, 2016 Q1 2016 revenue

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About Worldline

Worldline [Euronext: WLN] is the European leader in the payments and transactional services industry. Worldline delivers new-generation services, enabling its customers to offer smooth and innovative solutions to the end consumer. Key actor for B2B2C industries, with 40 years of experience, Worldline supports and contributes to the success of all businesses and administrative services in a perpetually evolving market. Worldline offers a unique and flexible business model built around a global and growing portfolio, thus enabling end-to-end support. Worldline activities are organized around three axes: Merchant Services & Terminals, Mobility & e-Transactional Services, Financial Processing Services & Software Licensing. Worldline employs more than 7,300 people worldwide and generated 1.22 billion euros revenues in 2015. Worldline is an Atos company. www.worldline.com

Disclaimers

This document contains further forward-looking statements that involve risks and uncertainties concerning the Group's expected growth and profitability in the future. Actual events or results may differ from those described in this document due to a number of risks and uncertainties that are described within the 2014 Registration Document filed with the Autorité des Marchés Financiers (AMF) on April 27, 2015 under the registration number: R.15-021 and its update filed on August 6, 2015 under the registration number D. 15-0292-A01.

Audit procedures on the consolidated financial statements have been performed. The audit report will be issued after the finalization of the specific verifications required by French law and of procedures for the purposes of the Registration Document filling.

Revenue and OMDA organic growth are presented at constant scope and exchange rates. 2016 objectives have been considered with exchange rates as of December 31, 2015.

Global Business Lines include Merchant Services & Terminals (in Belgium, France, Germany, India, Luxembourg, Spain, The Netherlands and United Kingdom), Financial Processing & Software Licensing (in Belgium, China, France, Germany, Hong Kong, India, Indonesia, Malaysia, Singapore, Spain, Taiwan and The Netherlands), and Mobility & e-Transactional Services (in Argentina, Austria, Belgium, Chile, France, Germany, Spain, and the United Kingdom).

This press release does not contain or constitute an offer of Worldline's shares for sale or an invitation or inducement to invest in Worldline's shares in France, the United States of America or any other jurisdiction.