

## Gemalto full year 2015 results

- Full year revenue of €3.1 billion, up +16%, and profit from operations up +10%, at €423 million
- Revenue in Payment & Identity at €1.8 billion, represents 58% of the total sales
- Platforms & Services revenue reaches €898 million, up +70%
- Free cash flow generation accelerated over the year, with €233 million in the second semester

To better assess past and future performance, the income statement is presented on an adjusted basis and variations in revenue figures above and in this document are at constant exchange rates except where otherwise noted (see page 2 "Basis of preparation of financial information"). Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable IFRS measures and should be read only in conjunction with the consolidated financial statements. Reconciliation with the IFRS income statement is presented in Appendix 1. The statement of financial position is prepared in accordance with IFRS, and the cash position variation schedule is derived from the IFRS cash flow statement. All figures in this press release are unaudited.

**Amsterdam, March 4, 2016** - Gemalto (Euronext NL0000400653 - GTO), the world leader in digital security today announces its results for the full year 2015.

### Key figures of the adjusted income statement

(€ in millions)	Full year 2015	Full year 2014	Year-on-year variations	
			at historical exchange rates	at constant exchange rates
Revenue	3,122	2,465	+27%	+16%
Gross profit	1,216	952	+28%	
Operating expenses	(793)	(569)	+39%	
Profit from operations	423	383	+10%	
Profit margin	13.5%	15.5%		

**Olivier Piou, Chief Executive Officer, commented:** "2015 illustrates the structural transformation and successful diversification of the Company. Payment is now clearly the largest business of the Company; the Enterprise portfolio is aligned following SafeNet integration; Government Programs is back to rapid growth with a solid win rate; adjustments are supporting the SIM activity evolution; and the Machine-to-Machine business continues to expand rapidly. In a challenging 2015 Mobile environment, Gemalto demonstrated the resilience of its business model with another double digit expansion in profit from operations and strong cash generation. Entering the second part of our multi-year development plan we will focus in 2016 on expanding our gross margin, progressively optimizing our main segments' performance en route to our 2017 objectives."

## Basis of preparation of financial information

### Segment information

The Mobile segment reports on businesses associated with mobile cellular technologies including Machine-to-Machine, mobile secure elements (SIM, embedded secure element) and mobile Platforms & Services. The Payment & Identity segment reports on businesses associated with secure personal interactions including Payment, Government Programs and Enterprise. The SafeNet acquisition is part of the Enterprise business.

In addition to this segment information the Company also reports revenues of Mobile and Payment & Identity by type of activity: Embedded software & Products (E&P) and Platforms & Services (P&S).

### Historical exchange rates and constant currency figures

The Company sells its products and services in a very large number of countries and is commonly remunerated in other currencies than the Euro. Fluctuations in these other currencies exchange rates against the Euro have in particular a translation impact on the reported Euro value of the Company revenues. Comparisons at constant exchange rates aim at eliminating the effect of currencies translation movements on the analysis of the Group revenue by translating prior-year revenues at the same average exchange rate as applied in the current year. Revenue variations are at constant exchange rates and include the impact of currencies variation hedging program, except where otherwise noted. All other figures in this press release are at historical exchange rates, except where otherwise noted.

### Pro forma figures

Following the acquisition of SafeNet and for a better understanding of the year-on-year evolution of the business, the Company presents the 2014 Gemalto segment and activity pro forma figures as if SafeNet had been consolidated for the full year 2014 period and year-on-year variations between these 2014 pro forma figures and 2015 figures as if SafeNet had been consolidated starting from January 1, 2015. The difference between 2015 actual figures and 2015 pro forma figures corresponds to the SafeNet contribution from January 1<sup>st</sup>, 2015 to January 7<sup>th</sup>, 2015, the actual transaction closing date. SafeNet's pro forma figures used in this document were translated into Euro using monthly currency conversion rates. Variations of pro forma revenue figures are at constant exchange rates and exclude the impact of our hedging program on currencies variation for 2014 and 2015.

Overall pro forma growth includes the 2015 organic growth coming from SafeNet activities. This metric aims at giving a fair view of the operational performance of the Company, including the ensuing synergies generated by the acquisition.

### Adjusted income statement and profit from operations (PFO) non-GAAP measure

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS).

To better assess its past and future performance, the Company also prepares an adjusted income statement where the key metric used to evaluate the business and make operating decisions over the period 2010 to 2017 is the profit from operations (PFO).

PFO is a non-GAAP measure defined as IFRS operating profit adjusted for (i) the amortization and depreciation of intangibles resulting from acquisitions, (ii) restructuring and acquisition-related expenses, (iii) all equity-based compensation charges and associated costs; and (iv) fair value adjustments upon business acquisitions. These items are further explained as follows:

- Amortization and depreciation of intangibles resulting from acquisitions are defined as the amortization and depreciation expenses related to the intangibles recognized as part of the allocation of the excess purchase consideration over the share of net assets acquired.
- Restructuring and acquisitions-related expenses are defined as (i) restructuring expenses which are the costs incurred in connection with a restructuring as defined in accordance with the provisions of IAS 37 (e.g. sale or termination of a business, closure of a plant,...), and consequent costs; (ii) reorganization expenses defined as the costs incurred in connection with headcount reductions, consolidation of manufacturing and offices sites, as well as the rationalization and harmonization of the product and service portfolio, and the integration of IT systems, consequent to a business combination; and (iii) transaction costs (such as fees paid as part of the acquisition process).
- Equity-based compensation charges are defined as (i) the discount granted to employees acquiring Gemalto shares under Gemalto Employee Stock Purchase plans; (ii) the amortization of the fair value of stock options and restricted share units granted by the Board of Directors to employees, and the related costs.
- Fair value adjustments over net assets acquired are defined as the reversal, in the income statement, of the fair value adjustments recognized as a result of a business combination, as prescribed by IFRS3R. Those adjustments are mainly associated with (i) the amortization expense related to the step-up of the acquired work-in-progress and finished goods assumed at their realizable value and (ii) the amortization of the cancelled commercial margin related to deferred revenue balance acquired

These non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable IFRS measures and should be read only in conjunction with our consolidated financial statements prepared in accordance with IFRS.

In the adjusted income statement, Operating Expenses are defined as the sum of Research and Engineering expenses, Sales and Marketing expenses, General and Administrative expenses, and Other income (expense) net.

EBITDA is defined as PFO plus depreciation and amortization expenses, excluding the above amortization and depreciation of intangibles resulting from acquisitions.

## Adjusted financial information

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. To better assess its past and future performance, the Company also prepares an adjusted income statement.

(€ in millions)	Full year 2015		Full year 2014		Year-on-year variation at	
Extract of the adjusted income statement		As a % of revenue		As a % of revenue	historical exchange rates	constant exchange rates
Revenue	3,121.6		2,465.2		+27%	+16%
Gross profit	1,215.9	39.0%	952.2	38.6%	+0.3 ppt	
Operating expenses	(793.3)	(25.4%)	(569.5)	(23.1%)	(2.3 ppt)	
EBITDA	546.9	17.5%	478.6	19.4%	+14%	
Profit from operations	422.6	13.5%	382.7	15.5%	+10.4%	
Net profit	303.5	9.7%	315.3	12.8%	(4%)	
(€)						
Basic Earnings per share	3.45		3.64		(5%)	
Diluted Earnings per share	3.41		3.55		(4%)	

Total revenue for 2015 came in at €3,122 million. Strong growth in Payment, Government Programs and Machine-to-Machine, coupled with the addition of SafeNet drove the revenue expansion of +27% at historical exchange rates and +16% at constant exchange rates.

Full year 2015 (in percentage points)	SafeNet addition	Pro forma growth	Hedge effect	Currencies variation effect	Revenue growth at historical exchange rates
Contributions to total year-on-year revenue variation	+12%	+6%	(2%)	+9%	+27%

The total Company's year-on-year revenue growth was +6% pro forma. SafeNet's combination added 12 percentage points to the 2014 reported sales. The substantial strengthening of the US dollar versus Euro compared to 2014 and the now larger part of the Company's US dollar denominated revenue generated a 9 percentage point difference between revenue growth at historical and at constant exchange rates. This difference was partly reduced by the currency variation protection hedging program that induced a (2) percentage point reduction on the reported sales.

Embedded software & Products (E&P) revenue grew by +3%. Payment cards represented the largest part of the E&P expansion. High demand for connectivity and security modules for the Internet of Things (IoT) and strong deliveries in Government Programs also notably contributed to the E&P revenue increase. E&P activity in the Mobile segment reduced due to lower year-on-year SIM sales following the closure of the major US wireless carriers' payment venture, and to a lesser extent to lower demand in Latin America and Asia in the second semester.

In Platforms & Services (P&S), sales were up by +70%, due to further revenue expansion in payment issuance services, to growth in eGovernment services and to SafeNet's contribution to the Enterprise business. These increases largely exceeded the reduced Mobile Financial Services revenue coming from the United States.

Globally, 2015 revenue growth illustrated the structural transformation and successful diversification of the Company. Gemalto posted a +6% pro forma revenue growth though sales of SIM and Mobile related services declined by an unusual (15%) year-on-year during the period.

Gross profit was up by €264 million, to €1,216 million, representing a gross margin of 39%, up +0.3 percentage point year-on-year. The increase in gross profit in the Payment and Government Programs businesses more than offset the lower contribution from the Mobile segment.

Operating expenses were up by 2.3 percentage point of revenue to 25.4%, at (€793) million. The increase came primarily from the addition of SafeNet, running at a higher percentage of operating expenses than Gemalto's historical business, and from currency translation effects, which outweighed the absence of variable pay-out to management and employees related to profit from operations.

As a result, 2015 profit from operations came in at €423 million, representing 13.5% profit margin and up €40 million, +10.4% year-on-year.

Gemalto's financial income was (€38) million compared to (€12) million for 2014. Interest expense and amortized costs on the public bond, private placements and credit lines facilities amounted to (€13) million and foreign exchange transactions and other financial items amounted to (€24) million.

Share of profit in associates was €2 million for the full year 2015. As a result, adjusted profit before income tax came in at €387 million compared to €370 million the previous year, an increase of +5%.

Adjusted income tax expense increased to (€83) million, compared to (€54) million the previous year, as Gemalto tax rate is progressively converging toward its expected normative effective tax rate level.

Overall, the 2015 adjusted net profit for the Company was €303 million, lower by €12 million when compared to 2014.

Adjusted basic earnings per share came in at €3.45, and adjusted diluted earnings per share at €3.41, compared to 2014 adjusted basic earnings per share of €3.64 and adjusted diluted earnings per share of €3.55.

## IFRS results

Fair value adjustments, mainly the non-cash amortization of the IFRS revaluation of SafeNet's pre-acquisition inventories and deferred revenue at their realizable value, accounted for (€71) million for the full year 2015. It was (€67) million for the first semester 2015, (€4) million for the second semester, and null in 2014. Amortization and depreciation of intangibles resulting from acquisitions, another non-cash element, came in at (€61) million versus (€27) million in 2014, also mainly due to the SafeNet acquisition. Restructuring and acquisition-related expenses increased to (€49) million versus (€30) million year-on-year, due to the acquisitions and to the restructuring of the Mobile Platforms & Services business and data centers. The equity-based compensation charge was reduced by (€17) million year-on-year, to (€39) million, as the Company long-term incentive plans are aligned with the multi-year development plan objectives and conditional on a set of cumulative progress indicators over the period.

The IFRS income tax rate came in at 18% for the year, up 4 percentage points versus 2014.

As a result, Gemalto recorded an IFRS operating profit (EBIT) of €203 million for 2015 compared to €270 million in 2014 and an IFRS net profit of €137 million for 2015 versus €221 million in 2014. IFRS basic earnings per share and diluted earnings per share came in at €1.56 and €1.54 respectively in 2015, compared to €2.55 and €2.49 respectively in 2014.

## Statement of financial position and cash position variation schedule

For the full year 2015, Gemalto operating activities generated a cash flow before changes in working capital of €443 million, up +12%, compared to the €394 million generated in 2014. Change in working capital had a €65 million positive impact on the cash flow in 2015 compared to an (€81) million negative impact in 2014. Net trade receivables and payables improved year-on-year mainly from better cash collection, advance payments received as well as customer payments which had been delayed from 2014 to 2015.

The hedging currency protection program generated a cash outflow of (€124) million in 2015 which will be recovered within the next three years. Capital expenditure and acquisition of intangibles amounted to (€185) million, i.e. 5.9% of revenue. Property, Plant, and Equipment assets accounted for (€98) million of investment in 2015, compared to (€81) million in 2014, to support the fast growing businesses, particularly in the United States. Acquisition and Capitalization of development expenses represented (€88) million, with capitalization of development expenses representing 1.7% of revenue in 2015 compared to 1.5% in 2014.

Excluding the (€124) million prepaid derivative for hedging currency protection payment, free cash flow from operations increased by +74% at €293 million in 2015 compared to €169 million in 2014. When including this prepaid derivative payment, free cash flow from operations was €233 million in the second semester, leading to €170 million for the full year of 2015.

Cash outflow related to acquisitions, net of cash acquired, was (€897) million in 2015 versus (€84) million in 2014, mostly due to the acquisitions of SafeNet and Trüb.

On May 24, 2015, Gemalto paid a cash dividend of €0.42 per share in respect of the fiscal year 2014, up +11% on the dividend paid in 2014. This distribution used €37 million in cash.

Gemalto's share buy-back program had no impact on the cash position in 2015 and the independently managed liquidity program generated a (€3) million cash outflow. As at December 31, 2015, the Company held 903,717 of its own shares in

treasury, representing 1.0% of its issued and paid-up share capital. The total number of shares issued increased by +991,865 in 2015 to 89,007,709 as announced in first semester and, net of the 903,717 shares held in treasury, 88,103,992 shares were outstanding as at December 31, 2015. The average acquisition price of the shares repurchased on the market by the Company held in treasury as at December 31, 2015 was €40.20.

Net proceeds from financing activities generated a €117 million cash inflow, mainly coming from private placement loan issuances, credit line drawdown, financing of US operations and proceeds received by the Company from the exercise of stock options by employees.

Gemalto's cash and cash equivalents as at December 31, 2015 was €405 million. It was €1,057 million at the end of 2014. The current and non-current borrowings excluding bank overdrafts were €740 million.

As a result in particular of the (€897) million cash outflow from acquisitions, partly offset by the operating cash generation acceleration, the Company's financial position moved to a net debt position of €335 million as at December 31, 2015 from a €493 million net cash position at the end of 2014.

## Segment information

Revenue (€ in millions)	Payment & Identity	Mobile	Total two main segments	Patents & Others	Total
<b>Fourth quarter</b>	510	338	<b>847</b>	6	<b>854</b>
At constant rates	+44%	(15%)	<b>+13%</b>	+383%	<b>+13%</b>
At historical rates	+53%	(9%)	<b>+20%</b>	+383%	<b>+21%</b>
<b>Full Year</b>	1,818	1,279	<b>3,097</b>	25	<b>3,122</b>
At constant rates	+45%	(10%)	<b>+16%</b>	+43%	<b>+16%</b>
At historical rates	+57%	(1%)	<b>+27%</b>	+43%	<b>+27%</b>

During the fourth quarter, revenue expanded by +13% at constant exchange rates and +21% at historical exchange rates. In Mobile, similar trends as the previous quarter were observed, with lower (15%) revenue mostly due to lower SIM and related services sales in the United States. In the fourth quarter, growth in Payment & Identity was +44% at constant exchange rates and +53% at historical exchange rates, with lower year-on-year sales of payment cards in China.

Full year 2015	Embedded software & Products	Platforms & Services	Total two main activities	Patents & Others	Total
Revenue	2,199	898	<b>3,097</b>	25	3,122
Year-on-Year revenue growth	+3%	+70%	<b>+16%</b>	+43%	+16%
As a percentage of total revenue	70%	29%	<b>99%</b>	1%	100%
As a percentage of total revenue growth at constant exchange rates	14%	84%	<b>98%</b>	2%	100%

Activities within Embedded software & Products and Platforms & Services both contributed to the revenue growth of Gemalto in 2015, up by +3% and +70% respectively (and up +1% and +11% respectively on a pro forma basis). Growth in Embedded software & Products came mostly from Payment, Machine-to-Machine and Government Programs. Platforms & Services increase in revenue was driven by higher Payment issuance services, especially in the United States, expansion in Government Programs and the contribution of SafeNet to the Enterprise business, which largely offset the lower Mobile Financial Services revenue generated in 2015. Platforms & Services contributed 84% of the total Company revenue growth in 2015.

<b>Profit from operations</b> (€ in millions)	<b>Total</b> (including Patents & Others)	<b>Payment &amp; Identity</b>	<b>Mobile</b>
<b>Second semester</b>	<b>263</b>	161	101
As a percentage of the full year profit from operations	<b>62%</b>	68%	59%
Year-on-year variation	=	+81%	(41%)
<b>Full year</b>	<b>423</b>	239	172
Year-on-year variation	<b>+10%</b>	+68%	(27%)

Full year profit from operations increased by +10.4% year-on-year. The lower profit from operations contribution of the Mobile segment was more than offset by the Payment & Identity segment performance, up +68% compared to 2014. Profit from operations increased in all Payment & Identity businesses, stemming from EMV migration in the United States for Payment, the initial SafeNet synergies in Enterprise and strong deliveries in Government Programs.



## Payment & Identity

	Full year 2015		Full year 2014		Year-on-year variation	
	€ in millions	As a % of revenue	€ in millions	As a % of revenue	at historical exchange rates	at constant exchange rates
Revenue	<b>1,818.4</b>		1,158.3		+57%	+45%
Gross profit	<b>698.3</b>	<b>38.4%</b>	386.2	33.3%	+5.1 ppt	
Operating expenses	<b>(459.6)</b>	<b>(25.3%)</b>	(244.2)	(21.1%)	(4.2 ppt)	
Profit from operations	<b>238.7</b>	<b>13.1%</b>	142.0	12.3%	+68%	

Payment & Identity's full year revenue came in at €1,818 million, increasing by +45% at constant exchange rates compared to 2014 and up +16% pro forma SafeNet. The segment's Embedded software & Products sales were up by +18% at €1,168 million and its Platforms & Services sales more than doubled to €650 million.

The Payment business grew by +23% in 2015 versus 2014. The Americas posted the largest growth, with revenue almost doubling compared to previous year on strong sales of EMV payment cards and rapid expansion of issuance services in the United States. Payment Embedded software & Products sales grew by +19% and Payment Platforms & Services revenue expanded by +40% compared to 2014 at constant exchange rates.

Revenue from the Enterprise business came in at €425 million in 2015 with expansion coming from the addition of SafeNet and from the sustained market demand for cybersecurity, software protection and software monetization solutions. The alignment of authentication portfolios between the Identity Access Management business and SafeNet is on track. The trend in revenue mix in authentication and data protection continues to move towards a higher proportion of software and services, and to gross profit increasing faster than revenue. On a pro forma basis this evolution had led to a gross margin increase of +2 percentage points in Enterprise compared to 2014.

Revenue from the Government Programs business came in at €391 million, up +24% at constant exchange rates compared to 2014. Sales expansion came from delivery commencements of previously won projects while at the same time project backlog continued to expand, and from the €45 million contribution of Trüb AG, a Swiss provider of identification solutions acquired in the second quarter of 2015. Government Programs Embedded software & Products revenue was up +19% and Government Programs Platforms & Services sales were up +44% in 2015 compared to 2014.

The steep business ramp-up in the United States led to an unusually high dedication of resources, yet the Payment & Identity segment gross margin as a whole improved to 38%, up +5.1 percentage points compared to 2014, due to the strong Platforms & Services expansion in the segment.

Operating expenses grew to (€460) million in 2015, in large part due to the acquisitions additions, and to a lesser extent to the currency translation effects as well as the shift of internal resources to the segment in order to effectively capture the rapid growth of its different businesses.

As a result profit from operations in Payment & Identity came in at €239 million, up +68% from the €142 million recorded in 2014, leading to a 13.1% profit margin from operations, up +0.9 percentage points.

## Mobile

	Full year 2015		Full year 2014		Year-on-year variation	
	€ in millions	As a % of revenue	€ in millions	As a % of revenue	at historical exchange rates	at constant exchange rates
Revenue	<b>1,278.5</b>		1,289.6		(1%)	(10%)
Gross profit	<b>494.5</b>	<b>38.7%</b>	550.2	42.7%	(4.0 ppt)	
Operating expenses	<b>(322.2)</b>	<b>(25.2%)</b>	(313.3)	(24.3%)	(0.9 ppt)	
Profit from operations	<b>172.4</b>	<b>13.5%</b>	236.9	18.4%	(27%)	

The Mobile segment recorded annual revenue of €1,279 million, (1%) lower year-on-year at historical exchange rates and (10%) at constant exchange rates.

Embedded software & Products revenue for the segment came in at €1,030 million, stable at historical exchange rates and (10%) lower compared to 2014 at constant exchange rates. The SIM business reduced by (17%) in 2015 compared to 2014, with a (23%) year-on-year reduction in the fourth quarter, mainly due to the United States operators' mobile payment venture closing as earlier announced, coupled with lower demand in Latin America and Asia. Revenue derived from SIM products now represents less than one quarter of total company revenues. The Machine-to-Machine business on the other hand continued to grow rapidly, by +18% year-on-year, due to the expanding global demand of connected devices and embedded secure elements for the Internet of Things (IoT).

Platforms & Services revenue for the segment came in at €248 million, lower by (8%) as Mobile Financial Services revenue decreased year-on-year due to lower mobile payment business in the United States, as announced earlier. On a global perspective, in 2015 Gemalto Mobile Financial Services achieved several key milestones to interconnect different technologies, devices and actors. In particular, Gemalto announced its partnership with Samsung to accelerate the deployment of Samsung Pay in Europe. Gemalto's Trusted Service Hub offers payment issuers a one stop connection for lifecycle management of payment credentials and tokenization services.

In 2015 Gemalto's Mobile Subscriber Services business also reached important milestones, related to embedded SIMs remote activation and management, with the adoption by the GSMA of a first common high-level architecture for the consumer market. Gemalto is deeply involved in this global interoperability effort, bringing its technical expertise and neutrality to help both device manufacturers and mobile network operators best align the ecosystem participants objectives. In this perspective, Gemalto recently provided the solution to Samsung Electronics for the launch of their latest Gear S2 smartwatch, allowing users to securely connect to their cellular network of choice.

Gross margin for the Mobile segment was 39% in 2015, lower by (4) percentage points compared to 2014 mainly due to the lower revenue generated in the United States.

Operating expenses increased by €9 million due to investments in Machine-to-Machine to capture the IoT sector's fast expansion and in Mobile Platforms & Services new features development. During the period, Gemalto significantly broadened its offers to device manufacturers and expanded the connectivity features of its platforms.

Profit from operations hence came in at €172 million, i.e. a 13.5% profit margin from operations.

## Patents & Others

	Full year 2015		Full year 2014		Year-on-year variation	
	€ in millions	As a % of revenue	€ in millions	As a % of revenue	at historical exchange rates	at constant exchange rates
Revenue	24.6		17.2		+43%	+43%
Gross profit	23.1	93.6%	15.8	91.5%	+2.1 ppt	
Operating expenses	(11.5)	(46.8%)	(12.0)	(69.9%)	+23.2 ppt	
Profit from operations	11.5	46.8%	3.7	21.6%	+211%	

The Patents & Others segment generated €25 million of revenue for the full year 2015 in relation to new and renewed cross-licensing agreements. Compared to 2014, operating expenses decreased by €0.5 million. As a result, Patents & Others profit from operations came in at €12 million for the full year, compared to €4 million in 2014.

## Additional information

Below is a highlight of new contracts and achievements published by the Company in 2015

### Payment & Identity

January, 08 2015	Gemalto finalizes the acquisition of SafeNet
February, 12 2015	Gemalto Releases Findings of 2014 Breach Level Index
March, 11 2015	Shoreline's off-the-shelf solution speeds up EMV Deployment for U.S. banks
March, 17 2015	Gemalto solution powers a unified national registry for Oman's identity documents
April, 14 2015	Shoreline launches on-the-spot EMV card issuance for U.S. community banks and credit unions
June, 15 2015	Orange Business Services and Gemalto join forces to provide customers with highly secure access to cloud-based applications
July, 09 2015	California selects Gemalto for automated identity document verification
August, 13 2015	Debit Network Alliance selects Gemalto to guide EMV strategy for U.S. debit card issuers
November, 18 2015	Maryland selects Gemalto's complete solution for new polycarbonate driver's licenses
November, 26 2015	BBVA Bancomer and Gemalto announce first commercial rollout of Dynamic Code Verification

### Mobile

February, 17 2015	Gemalto Trusted Services Hub expands deployment to 350 million more mobile devices
February, 25 2015	Gemalto adds new Tokenization options to Its Trusted Services Hub
March, 03 2015	Gemalto enables mobile NFC ticketing for Madrid public transport
July, 02 2015	NTT Docomo selects Gemalto for IoT applications in Japan
July, 15 2015	Gemalto and ZTE jointly present remote subscription management on consumer devices
July, 15 2015	China Telecom and Gemalto present joint innovation for connecting cars and IoT
July, 16 2015	Gemalto demonstrates remote provisioning of consumer devices based on GSMA architecture
September, 01 2015	Gemalto boosts connectivity for the IoT with the industry-first M2M Cat 1 LTE module
September, 03 2015	Gemalto Partners with Samsung for the launch of Samsung Pay in Europe
September, 08 2015	Sprint extends relationship with Gemalto to manage growing LTE deployments across the U.S.
October, 06 2015	Gemalto to provide solution for Samsung Gear S2 with 3G connectivity
December, 04 2015	Gemalto, Orange, RATP and SNCF join forces to create Wizway Solutions

### Industry Recognitions

April 2, 2015	Internet-of-Things solutions enabled by Gemalto win 2015 Connected World Awards
July 23, 2015	Gemalto On-Demand Connectivity receives IoT Evolution Product of the Year Award
September 23, 2015	Gemalto receives 2015 Digital Payments Award from Juniper Research
October 13, 2015	Gemalto recognized in Top-100 World's Best Performing CEO's by Harvard Business Review
November 5, 2015	Gemalto recognized in Gartner's Market Guide for Issuer Tokenization
December 16, 2015	Gemalto awarded three times as the global leader in transport ticketing solutions

### Proposed dividend

The Board of Gemalto has decided to propose to the 2016 Annual General Meeting of Shareholders the payment of a cash dividend of €0.47 per share in 2016 in relation with the 2015 financial year, a +12% increase compared to the cash dividend of €0.42 per share paid in 2015 in relation with the 2014 financial year. If approved, the time schedule related to the dividend payment will be as follows:

May 24, 2016	Ex-dividend date (the date as of which shares are traded without the right to the 2015 dividend)
May 25, 2016	Dividend record date (the date on which shareholder positions are recorded as per close of business in order to be entitled to the 2015 dividend distribution)
May 26, 2016	Payment date of dividend

Gemalto shares will trade ex-dividend as from the beginning of the trading session on May 24, 2016. Holders of Gemalto shares on May 24, 2016 who would not have previously sold their shares will be able to freely trade their shares on the stock exchange as from such date and will not need to block their shares until the payment date of the dividend to benefit from such dividend.

### Outlook

For 2016, with the positive trends in Enterprise, Government Programs, Machine-to-Machine and the US EMV ramp-up effort completed, Gemalto expects to generate a +1.5 percentage point gross margin increase, accelerating its profit from operation expansion towards its 2017 objectives.

### Live Audio Webcast and Conference call

Gemalto full year 2015 results presentation will be webcast in English today at 3pm Amsterdam and 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 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 dialing:

(UK) +44 203 367 9453 or (US) +1 855 402 7761 or (FR) +33 1 7077 0934

The accompanying presentation slide set is also available for download on our Investor Relations web site.

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

The annual report, including the financial statements as of December 31, 2015, is available on our Investor web site.

### Reporting calendar

Financial reporting for the first three quarters of 2016 will be made before the opening of Euronext Amsterdam on the following dates:

April 29, 2016	Publication of 2016 first quarter revenue
August 26, 2016	Publication of 2016 first semester results
October 28, 2016	Publication of 2016 third quarter revenue

Gemalto N.V. will hold its 2016 Annual General Meeting of Shareholders (AGM) on Thursday, May 19, 2016. The persons entitled to attend and cast votes at the AGM will be those who are recorded as having such rights after the close of trading on the relevant Euronext stock exchange on April 21, 2016 (the "Record Date") in Gemalto's shareholders register, or in a register of a financial institution affiliated to Euroclear France S.A., regardless of whether they are shareholders at the time of the AGM.

The Annual General Meeting of Shareholders will be held at the Hyatt Place Amsterdam Airport Hotel, Rijnlanderweg 800, 2132 NN Hoofddorp (Haarlemmermeer), the Netherlands at 2:00 p.m. CET.

## Stock Exchange Listing

Gemalto N.V. is dual listed on Euronext Amsterdam and Paris, in the compartment A (Large Caps).

Mnemonic:	GTO
Exchange	Dual listing on Euronext Amsterdam and Paris
Market of reference	Euronext Amsterdam
ISIN Code	NL0000400653
Reuters	GTO.AS
Bloomberg	GTO:NA

Gemalto has also established a sponsored Level I American Depositary Receipt (ADR) Program in the United States since November 2009. Each Gemalto ordinary share is represented by two ADRs. Gemalto's ADRs trade in U.S. dollar and give access to the voting rights and to the dividends attached to the underlying Gemalto shares. The dividends are paid to investors in U.S. dollar, after being converted into U.S. dollar by the depository bank at the prevailing rate.

Structure	Sponsored Level I ADR
Exchange	OTC
Ratio (ORD:DR)	1:2
DR ISIN	US36863N2080
DR CUSIP	36863N 208

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## About Gemalto

Gemalto (Euronext NL0000400653 GTO) is the global leader in digital security, with 2015 annual revenues of €3.1 billion and customers in over 180 countries. We bring trust to an increasingly connected world.

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 14,000+ employees operate out of 118 offices, 45 personalization and data centers, and 27 research and software development centers located in 52 countries.

For more information visit  
[www.gemalto.com](http://www.gemalto.com), or follow [@gemalto](https://twitter.com/gemalto) on Twitter.

### **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: trends in wireless communication and mobile commerce markets; the Company's ability to develop new technology and the effects of competing technologies developed; effects of the intense competition in the Company's main markets; 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, platforms and services; profitability of the expansion strategy; effects of acquisitions and investments; ability of the Company's to integrate acquired businesses, activities and companies according to expectations; ability of the Company to achieve the expected synergies from acquisitions; 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 or its representatives 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 required by applicable law or regulations.



## Appendix 1

### Reconciliation from IFRS to Adjusted financial information

<b>Full year 2015</b> (€ in millions)			Basic	Diluted
Weighted average number of shares outstanding (in thousands)			87,812	89,077
<b>IFRS financial information</b>			Excluding non-controlling interest	
			Basic EPS	Diluted EPS
	Operating profit	203,347		
	Financial income	(37,963)		
	Profit from Associates	2,058		
	Income tax	(30,571)		
<b>IFRS</b>	<b>Net profit for the period</b>	<b>136,871</b>	<b>1.56</b>	<b>1.54</b>
<b>Reconciliation to adjusted financial information</b>				
	Share-based compensation expense and associated costs	38,638		
	Fair value adjustment upon business acquisition	70,722		
	Restructuring and acquisition-related expenses	49,079		
	Amortization and depreciation of intangibles resulting from acquisitions	60,843		
	Income tax	(52,665)		
<b>Adjusted</b>	<b>Net profit for the period</b>	<b>303,488</b>	<b>3.45</b>	<b>3.41</b>

The full year 2015 adjusted basic earnings per share is determined on the basis of the weighted average number of Gemalto shares outstanding during the twelve-month period ended December 31, 2015, i.e. 87,812,302 shares. The full year 2015 adjusted diluted earnings per share is determined by using 89,076,936 shares corresponding to the IFRS treasury stock method, i.e. on the basis of the same weighted average number of Gemalto shares outstanding and considering that all outstanding share based instruments were exercised (1,480,465 instruments) and the proceeds received from the instruments exercised (€15,057,874) were used to buy-back shares at the average share price of the full year 2015 (215,831) shares at €69.77.

<b>Full year 2014</b> (€ in millions)			Basic	Diluted	
Weighted average number of shares outstanding (in thousands)			86,490	88,716	
<b>IFRS financial information</b>			Excluding non-controlling interest	Basic EPS	Diluted EPS
	Operating profit	270,159			
	Financial income	(12,421)			
	Share of profit of associates	(628)			
	Income tax	(35,862)			
IFRS	Net profit for the period	<b>221,248</b>	<b>220,651</b>	<b>2.55</b>	<b>2.49</b>
<b>Reconciliation to adjusted financial information</b>					
	Share-based compensation expense and associated costs	55,423			
	Fair value adjustment upon business acquisition	0			
	Restructuring and acquisition-related expenses	29,830			
	Amortization and depreciation of intangibles resulting from acquisitions	27,267			
	Income tax	(18,449)			
Adjusted	Net profit for the period	<b>315,319</b>	<b>314,722</b>	<b>3.64</b>	<b>3.55</b>

## Appendix 2

### Consolidated statement of financial position

(€ in millions)	December 31, 2015	December 31, 2014
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment, net	347,994	279,741
Goodwill, net	1,524,933	900,826
Intangible assets, net	592,597	218,137
Investments in associates	64,897	51,686
Deferred income tax assets	197,212	144,710
Other non-current assets	45,585	45,024
Derivative financial instruments	276	2,566
<b>Total non-current assets</b>	<b>2,773,494</b>	<b>1,642,690</b>
<b>Current assets</b>		
Inventories, net	273,564	223,579
Trade and other receivables, net	949,690	852,683
Derivative financial instruments	18,048	3,831
Cash and cash equivalents	407,659	1,059,572
<b>Total current assets</b>	<b>1,648,961</b>	<b>2,139,665</b>
<b>Total assets</b>	<b>4,422,455</b>	<b>3,782,355</b>
<b>Equity</b>		
Share capital	89,008	88,016
Share premium	1,240,241	1,206,877
Treasury shares	(36,329)	(55,482)
Fair value and other reserves	(8,135)	84,603
Cumulative translation adjustments	39,505	(3,957)
Retained earnings	1,158,525	1,070,653
<b>Capital and reserves attributable to the owners of the Company</b>	<b>2,482,815</b>	<b>2,390,710</b>
Non-controlling interests	6,716	5,454
<b>Total equity</b>	<b>2,489,531</b>	<b>2,396,164</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Borrowings	549,758	398,027
Deferred income tax liabilities	122,817	46,165
Employee benefit obligations	121,958	107,361
Provisions and other liabilities	145,335	46,871
Derivative financial instruments	5,966	2,714
<b>Total non-current liabilities</b>	<b>945,834</b>	<b>601,138</b>
<b>Current liabilities</b>		
Borrowings	192,579	168,155
Trade and other payables	718,585	539,911
Current income tax liabilities	33,799	30,838
Provisions and other liabilities	19,366	12,968
Derivative financial instruments	22,761	33,181
<b>Total current liabilities</b>	<b>987,090</b>	<b>785,053</b>
<b>Total liabilities</b>	<b>1,932,924</b>	<b>1,386,191</b>
<b>Total equity and liabilities</b>	<b>4,422,455</b>	<b>3,782,355</b>

### Appendix 3

#### Cash position variation schedule

<i>€ in millions</i>	Year ended Dec	
	2015	2014
<b>Cash and bank overdrafts, beginning of period</b>	<b>1,057</b>	<b>456</b>
Cash generated by operating activities, before changes in working capital	443	394
Net change in working capital	65	(81)
Cash used in restructuring actions and acquisition related expenses	(29)	(20)
<b>Net cash generated by operating activities before prepaid derivatives</b>	<b>479</b>	<b>294</b>
Prepaid derivatives	(124)	0
<b>Net cash generated by operating activities</b>	<b>355</b>	<b>294</b>
Capital expenditure and acquisitions of intangibles	(185)	(125)
<b>Free cash flow</b>	<b>170</b>	<b>169</b>
Interest received, (paid), net	(10)	2
Cash used by acquisitions	(897)	(84)
Currency translation adjustments	5	1
<b>Cash generated (used) by operating and investing activities</b>	<b>(732)</b>	<b>87</b>
Cash generated (used) by the liquidity and share buy-back program	(3)	(17)
Dividend paid to Gemalto shareholders	(37)	(33)
Net proceeds from financing activities	117	555
Other cash provided (used) by financing activities	2	9
<b>Cash and bank overdrafts, end of period</b>	<b>405</b>	<b>1,057</b>
Current and non-current borrowings excluding bank overdrafts, end of period	(740)	(564)
<b>Net (debt), cash, end of period</b>	<b>(335)</b>	<b>493</b>

#### Appendix 4

##### Platforms & Services

Full year revenue Platforms & Services activities (€ in millions)	2015	2014	Year-on-year variations at constant exchange rates	Year-on-year variations at historical exchange rates
Mobile	248	259	(8%)	(4%)
Payment & Identity	650	243	+151%	+167%
<b>Total</b>	<b>898</b>	<b>502</b>	<b>+70%</b>	<b>+79%</b>

#### Appendix 5

##### Revenue by region

Full year € in millions	Full year 2015	Full year 2014	Year-on-year variation	
			at constant exchange rates	at historical exchange rates
Europe, Middle East and Africa	1,378	1,128	19%	22%
Americas	1,189	836	24%	42%
Asia	554	501	(2%)	11%
Total revenue	3,122	2,465	16%	27%

Fourth quarter € in millions	Fourth quarter 2015	Fourth quarter 2014	Year-on-year variation	
			at constant exchange rates	at historical exchange rates
Europe, Middle East and Africa	394	316	22%	25%
Americas	313	247	15%	27%
Asia	147	144	(6%)	2%
Total revenue	854	707	13%	21%

**Appendix 6**

**Average exchange rates between the Euro and the US dollar**

EUR/USD	2015	2014
First quarter	1.16	1.37
Second quarter	1.09	1.37
First half	1.13	1.37
Third quarter	1.11	1.34
Fourth quarter	<b>1.09</b>	1.25
Second half	<b>1.10</b>	1.29
Full year	<b>1.11</b>	1.33