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Full year 2015 results

March 4, 2016



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Basis of preparation

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 Platform & 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).

SafeNet acquisition and related 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 1st, 2015 to January 7th, 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)

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.

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

Return on capital employed (ROCE) is defined as after-tax PFO divided by capital employed.

Currency exchange rates

In this presentation, revenue variations are at constant exchange rates, and all other figures are at historical exchange rates, except where otherwise noted.

Olivier PLOU - CEO

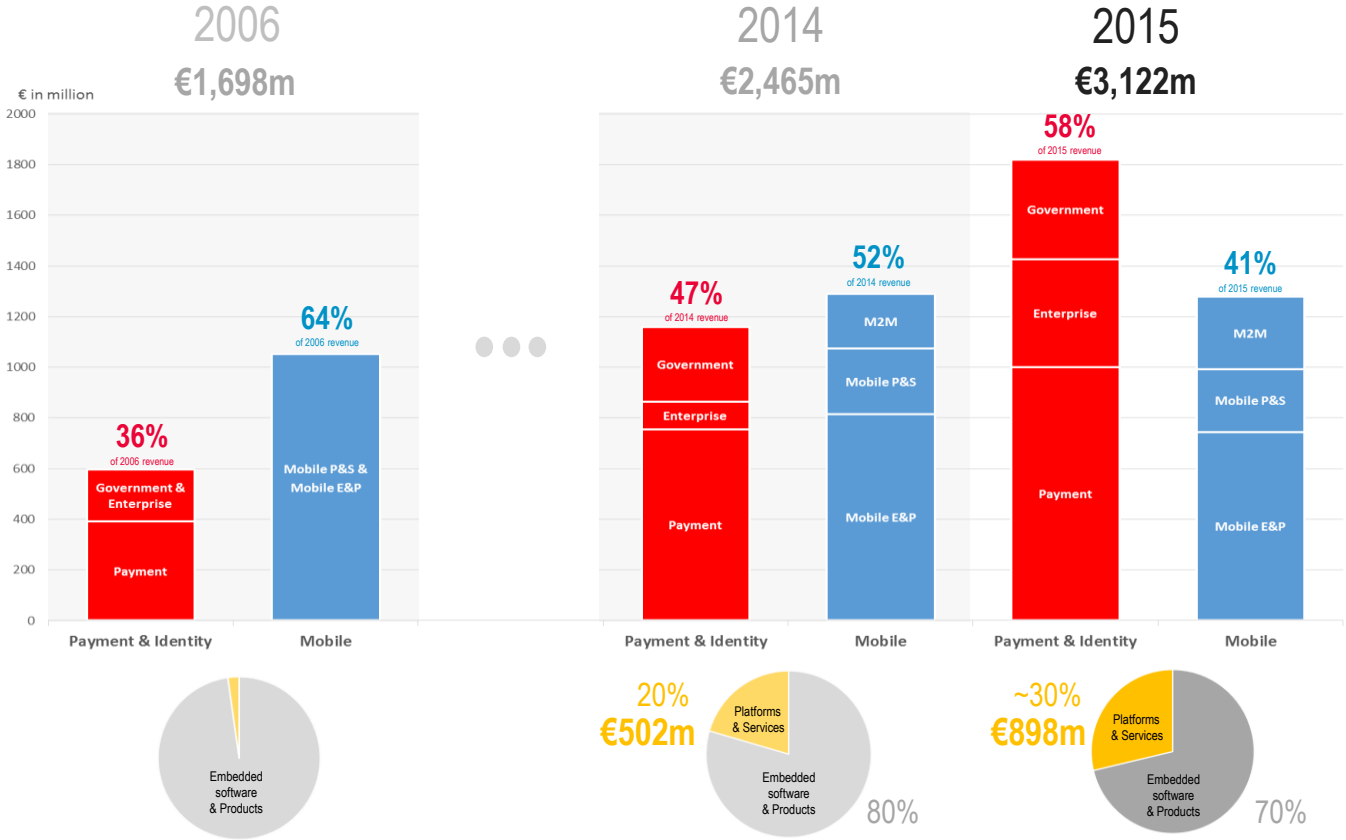
Overview

Full year 2015 Highlights

- 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

Extracts from the adjusted income statement, revenue variations at constant exchange rate.

Successful diversification and structural transformation



Jacques TIERNY - CFO

Financial results

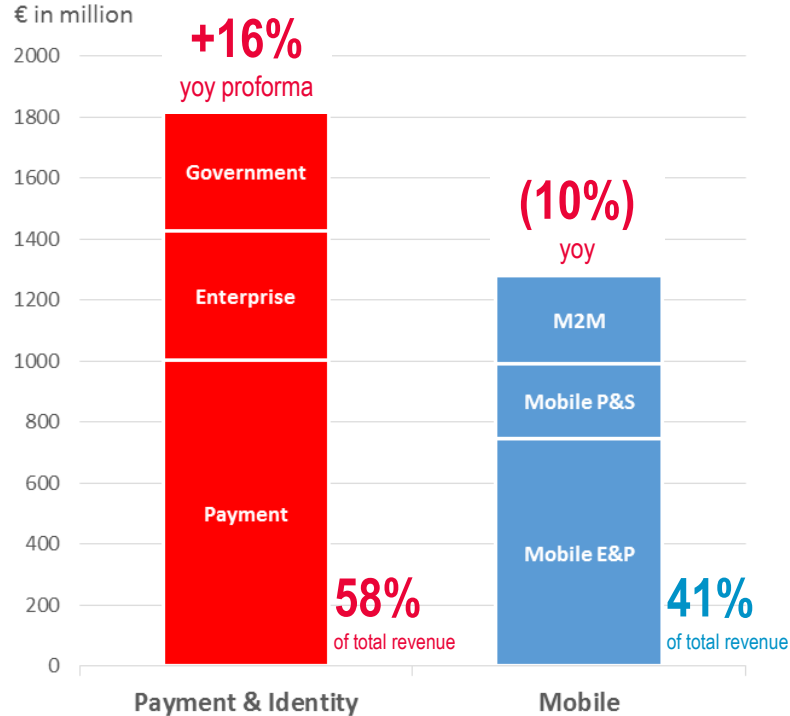
Key figures from FY 2015 financial results

Revenue +16%	€3,122m		at historical rates +27%
Gross profit +28%	€1,216m	39.0%	Gross margin +33bp
Operating expenses +39%	(€793m)	(25.4%)	OpEx ratio (231bp)
Profit from operations +10%	€423m	13.5%	PFO margin (198bp)
Earnings per share (5%)	€3.45		

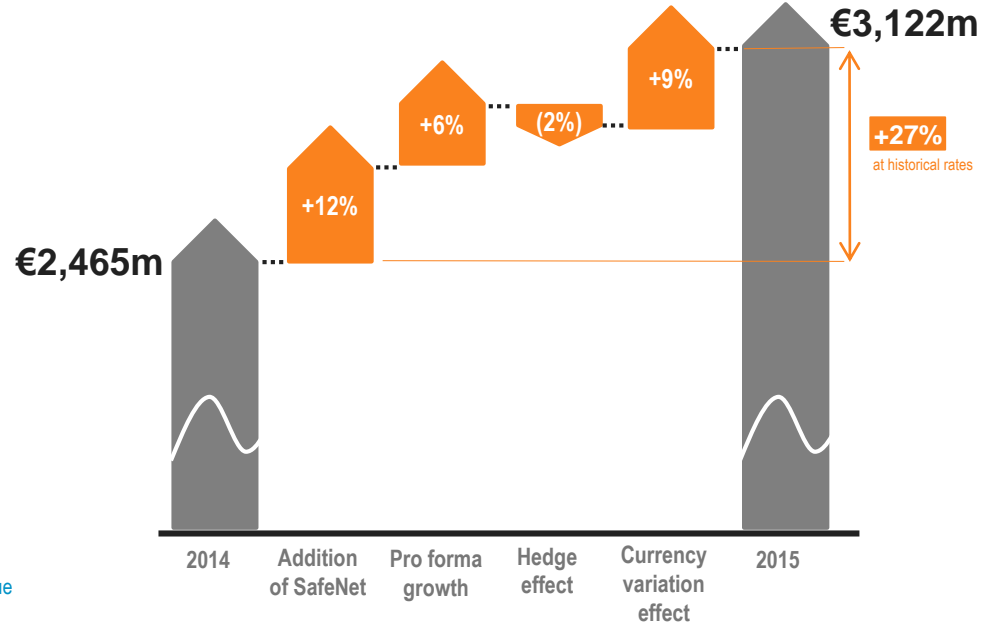
Extracts from the adjusted income statement

FY 2015 revenue composition and variation details

Main segment revenues



Year-on-year 2015 revenue variations details



Pro forma figures include Safenet revenue for the full year of 2014 and 2015

Adjusted income statement and IFRS

€ in millions	Adjusted income statement					IFRS
	All operations	Fair value adjustment upon acquisitions	Amortization of intangible assets	Equity based compensation	Restructuring and acquisitions related expenses	
FY 2015						
Revenue	3,122					3,122
Profit from operations	423					
IFRS operating profit		(71)	(61)	(39)	(49)	203
FY 2014						
Revenue	2,465					2,465
Profit from operations	383					
IFRS operating profit		-	(27)	(55)	(30)	270

Key items of the cash flow statement

<i>€ in millions</i>	Full Year 2015	Full Year 2014
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)
Prepaid derivative for currency protection program	(124)	0
Net cash generated by operating activities	355	294
Capital expenditure and acquisition of intangibles	(185)	(125)
Acquisitions	(897)	(84)
Dividend paid to Gemalto shareholders	(37)	(33)
Net proceeds from financing activities	117	555
Net cash (debt), at end of the period	(335)	493

Philippe VALLEE - COO

Segment information

Payment & Identity – key financial information

Revenue
+45%

€ 1,818m
(2014 FY: € 1,158m)

Gross Profit
+81%

€ 698m
(2014 FY: € 386m)

Gross Margin
+506bp

38.4%
(2014 FY: 33.3%)

Profit from operations
+68%

€ 239m
(2014 FY: € 142m)

PFO Margin
+87bp

13.1%
(2014 FY: 12.3%)

- Embedded software & Products sales were up by +18% at €1,168 million. Platforms & Services sales more than doubled, at €650 million
- The Payment business grew by +23% year-on-year in 2015
 - The Americas posted the largest growth, with revenue almost doubling on strong sales of EMV payment cards and rapid expansion of issuance services in the United States
- Revenue from the Enterprise business came in at €425 million in 2015
 - The alignment of authentication portfolios between the Identity Access Management business and SafeNet is on track
 - The Enterprise business revenue mix in authentication and data encryption is moving towards a higher proportion of software and services, as a result on a pro forma basis, this evolution led to a gross margin increase of +2 percentage points in Enterprise compared to 2014
- Government Programs revenue came in at €391 million, up +24% year-on-year
 - Double digit organic revenue growth in 2015 was supplemented by €45 million from Trüb
 - Sales expansion came from delivery commencements of previously won projects and addition of Trüb; project backlog continued to expand with solid win rate
- Payment & Identity's gross margin improved to 38%, up +5.1 percentage points and PFO came in at €239 million, up +68% from the €142 million recorded in 2014

Mobile – key financial information

Revenue
(10%)
€ 1,279m
(2014 FY: € 1,290m)

Gross Profit
(10%)
€ 495m
(2014 FY: € 550m)

Gross Margin
(398bp)
38.7%
(2014 FY: 42.7%)

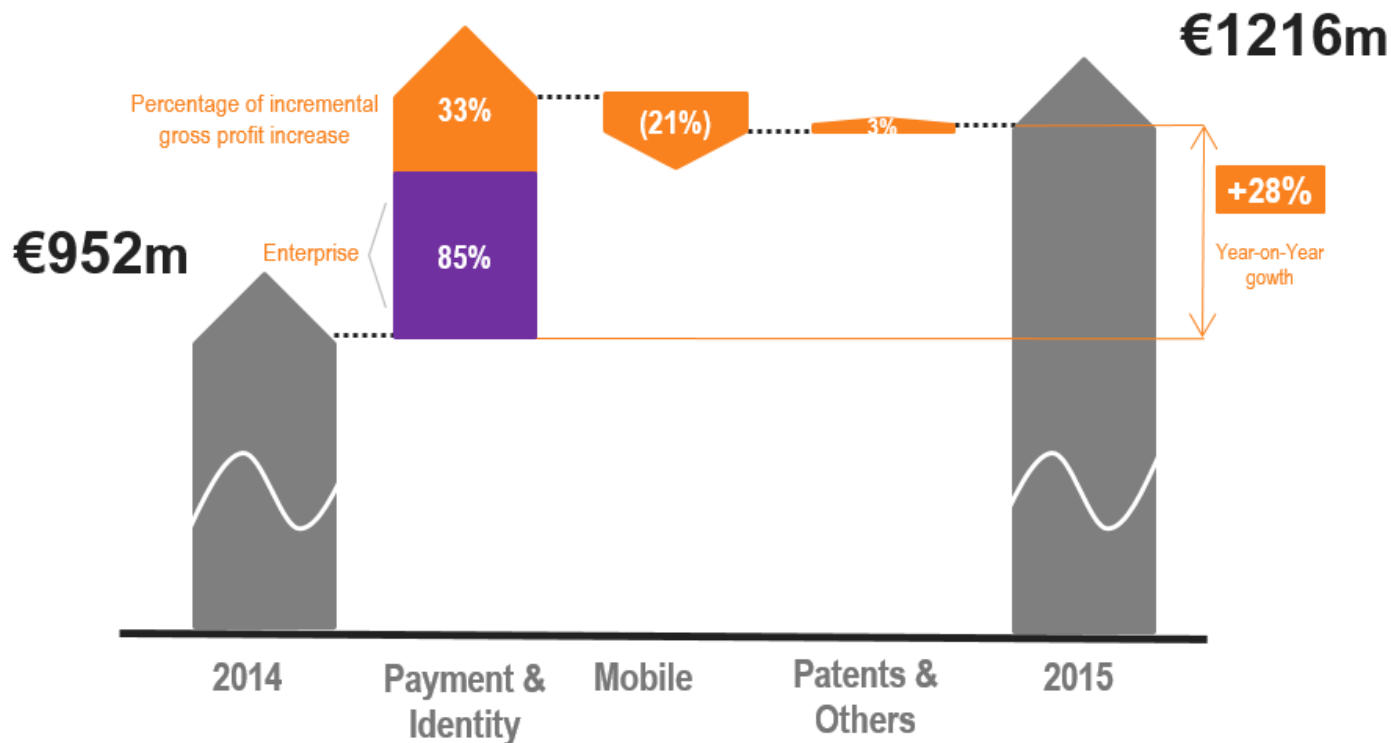
Profit from operations
(27%)
€ 172m
(2014 FY: € 237m)

PFO Margin
(489bp)
13.5%
(2014 FY: 18.4%)

- Mobile revenue reduced by (1%) at historical exchange rates and by (10%) at constant exchange rates
 - The SIM business decreased by (17%) in 2015. This evolution was essentially related to the lower contribution to revenue of SIMs and Mobile Platforms & Services sales in the US, coupled with lower demand in Latin America and Asia in the second semester
- Machine-to-Machine business 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)
- Further important milestones reached in Mobile Platforms & Services in H2
 - Gemalto announced a partnership to accelerate the deployment of Samsung Pay
 - 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
- Overall gross margin for the Mobile segment was 39% in 2015
- PFO came in at €172 million, i.e. a 13.5% profit margin from operations

Breakdown of the incremental gross profit

Charts not to scale



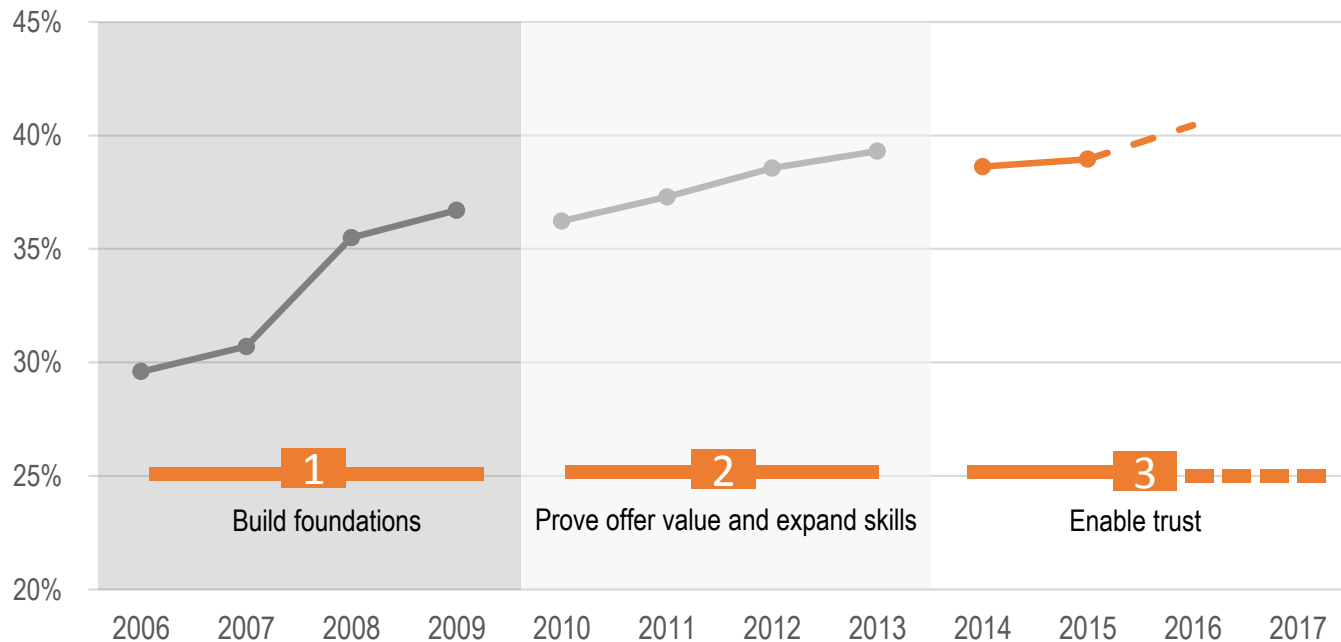
Olivier PIOU - CEO

Moving forward

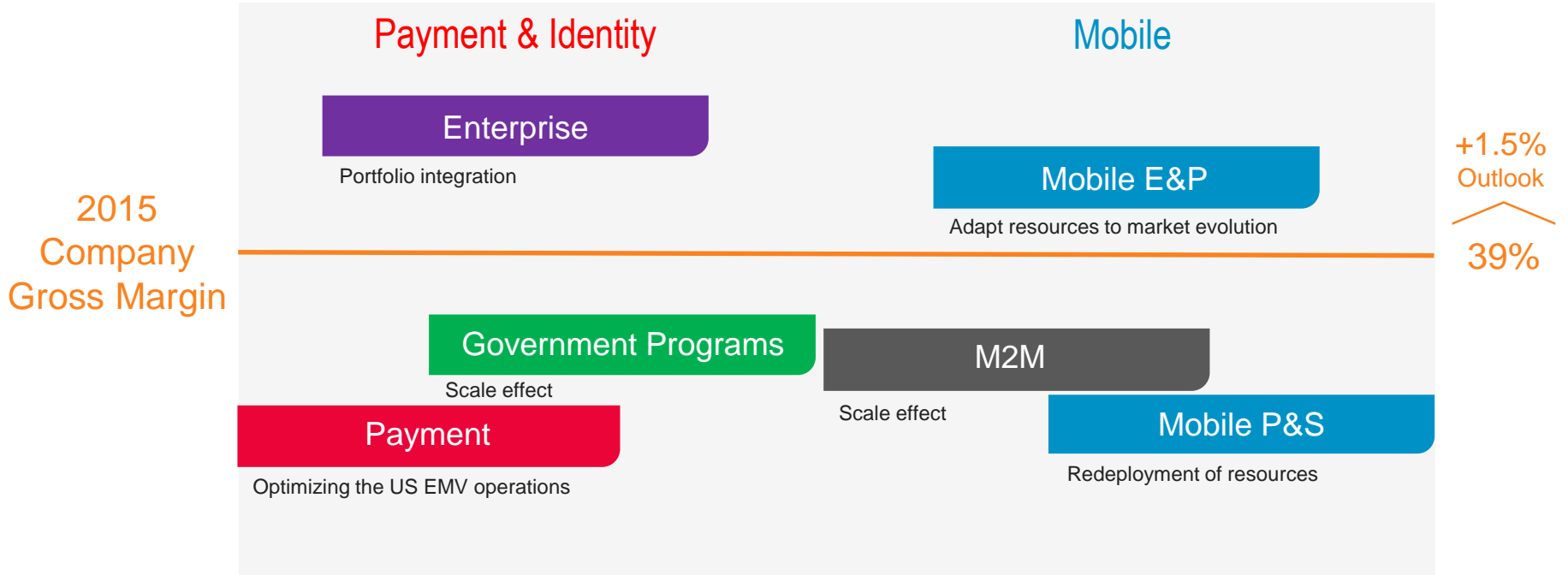
Key market trends for 2016

- Continuing expansion in the Internet of Things
- First trials of GSMA compliant eSIMs and related services
- Solid demand for Government Programs
- Deployment of EMV continues in the US with portfolio expansion
- Soft market environment in Asia and Latin America
- Sustained demand for data protection, software monetization and cybersecurity solutions

Expected gross margin improvement, as in previous plans



Gross margin improvement plan



Outlook for 2016

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.

Gemalto

Enabling trust in the digital world

- ✧ World Leader in Digital Security ✧
- ✧ Markets in Strong Development ✧
 - ✧ Unique Technology Portfolio ✧
 - ✧ Blue Chip Customers ✧
- ✧ Large Free Float and Robust Financials ✧
- ✧ A Business Model with Strong Leverage on Growth ✧