

H1 - 2006 RESULTS

Business Report



21 September 2006
Park Hyatt hotel



Solutions de transactions et de paiement sécurisées

1 - H1 2006 Financial Results > C. MALHER

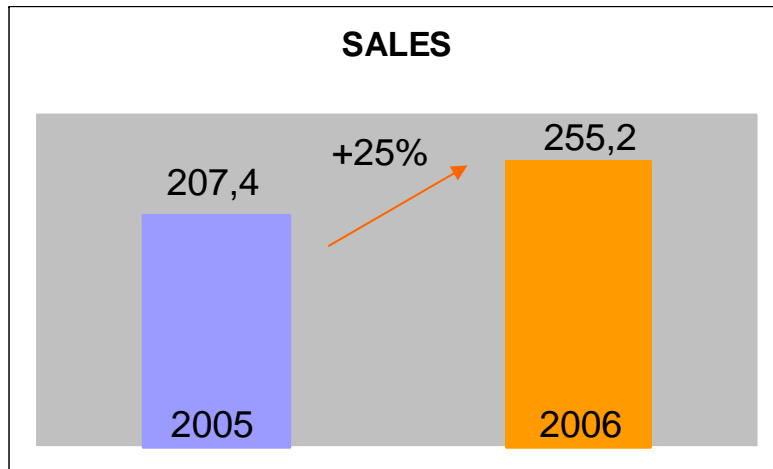
2 - Business Overview > A. d'ANGELO

3 - Questions / Answers

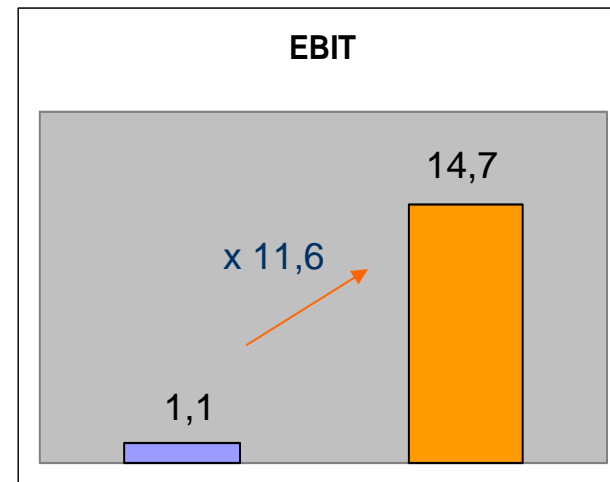


Financial Results H1 - 2006

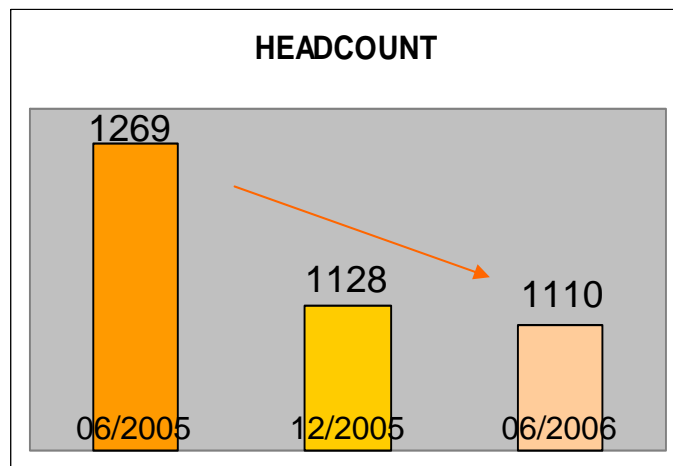
H1 2006: Key Achievements



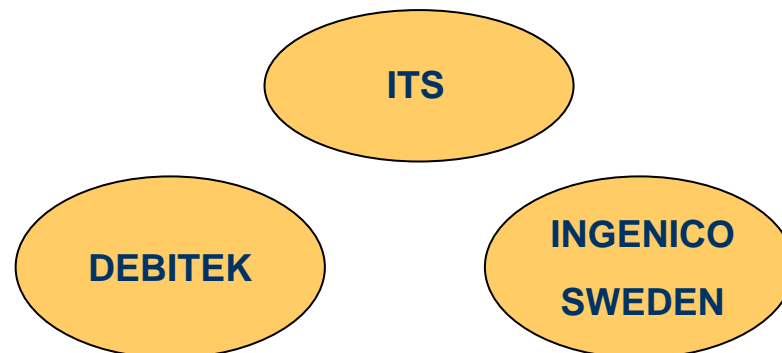
OUTSTANDING GROWTH



STRONG PROFITABILITY IMPROVEMENT



Divestments



► Consolidated income statement H1 2006

Millions of €	H1 2005	H1 2006	% improvement
Sales	207,4	255,2	
Cost of goods sold	-147,5	-176,0	
Gross margin	59,8 28,8%	79,2 31,1%	+2,3%
R&D	- 17,8 8,6%	-21,5 8,4%	+0,2%
Sales & Marketing	- 15,6 7,5%	-16,1 6,3%	+1,2%
G&A	- 25,3 12,2%	-26,9 10,5%	+1,7%
Operating income	1,1	14,7	
Profitability	0,5%	5,8%	+5,3%

IFRS 2005:
capitalized
R&D

► Gross margin

<i>Gross margin evolution</i>	H1 2005	H1 2006
Sales in M€		
Terminals	163,1	204,5
Software and Services	40,5	50,7
Other	3,7	
Total	207,3	255,2
Gross margin (% of sales)		
Terminals	43,0%	43,2%
Software and Services	20,3%	21,7%
Other	-1,4%	N/A
Total	37,8%	39,0%
Indirect Costs	-9,0%	-7,9%
Gross margin after indirect costs	28,8%	31,1%

► Consolidated income statement H1 2006

Millions of €	H1 2005	H1 2006
Operating income	1,1	14,7
Non recurring items	- 24,0	1,8
EBIT after non recurring items	- 22,9	16,5
Net financial expenses	- 1,0	- 6,2
Income taxes	- 0,8	- 2,0
Net income	- 24,6	8,3
<i>EPS</i>	<i>N/A</i>	<i>0,28</i>

NOL
utilization

► Consolidated income statement

Non recurring items in M€	H1 2005	H1 2006
Restructuring charges	- 2,5	-2,3
Disposal of Assets		2,8
Provision for non quality	- 9,9	0,0
Legal claims	- 1,5	2,1
Other (including obsolete inventories)	- 10,1	- 0,8
TOTAL	- 24,0	1,8

ITS, Debitex,
Ingenico
Sweden

▶ Financial income (expense)

Millions of €	H1 2005	H1 2006
Gains / losses on foreign exchange	0,8	- 2,5
Interests expenses	- 1,2	- 3,7
Other expenses	- 0,6	
TOTAL	- 1,0	- 6,2


O/W 2 M€ are
unrealized
losses

► Equity and Net debt

	M€
January 1st, 2006	101,3
⇒ H1 net result	8,3
⇒ Capital increase	1,3
⇒ Share based payments	2,5
⇒ CTA	(1,5)
⇒ Treasury stock purchases	(8,1)
June 30, 2006	103,8

Net Debt:
64,5M€
Gearing:
62,2%

► Consolidated cash-flow statement

Millions of €	H1 2005	H1 2006	
Cash flow from (used in) operations	- 9,0	9,8	
Change in working capital	- 9,6	- 7,0	
Cash-flow from operations	-18,6	2,8	+21,4
CAPEX	-7,1	- 4,6	
Effect of acquisitions & divestitures	- 1,3	10,5	
Currencies and others	9,2*	-2,3	
Purchase of own shares		-7,5	
Change in cash & cash equiv.	-17,8	-1,1	

* O/W Oceane effect

► Net debt / Gearing

Millions of €	31/12/2005	30/06/2006
Financial liabilities	- 175,0	- 162,8
Net cash	111,5	98,2
Net debt	- 63,5	- 64,6
Equity	101,3	103,9
Gearing	- 63%	- 62%



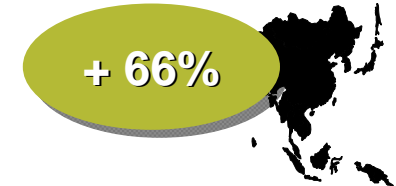
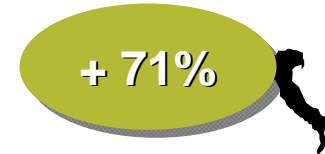
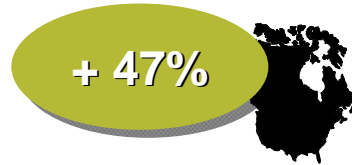
Business Overview



▶ Actions and Achievements

▶ Outstanding Revenue Increase

▶ Latin America – North America – Italy – Asia



▶ Supply Chain Improvement

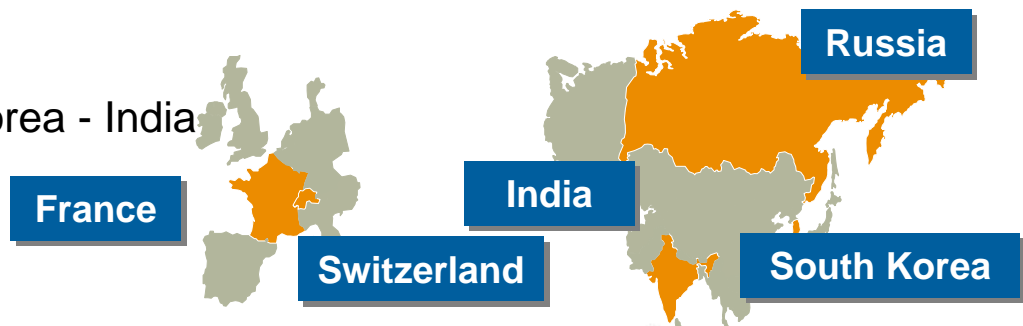
- ▶ Qualification of new EMS in Romania and China
- ▶ Plastics closer to Customer (Brazil, Romania, China)

▶ EMS Quality Level Improvement

- ▶ Improved production yields in EMS
- ▶ Ingenico employees working in EMS

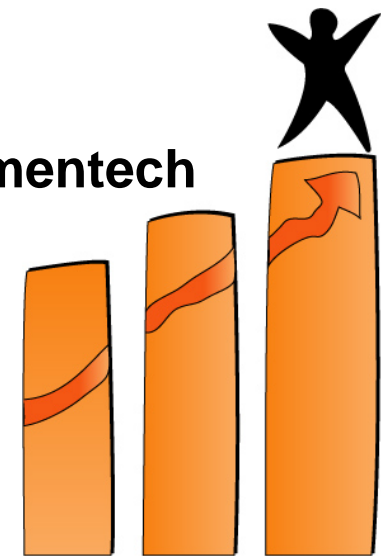
▶ Geographical Expansion

- ▶ France - Switzerland – Russia – Korea - India



▶ Major Wins

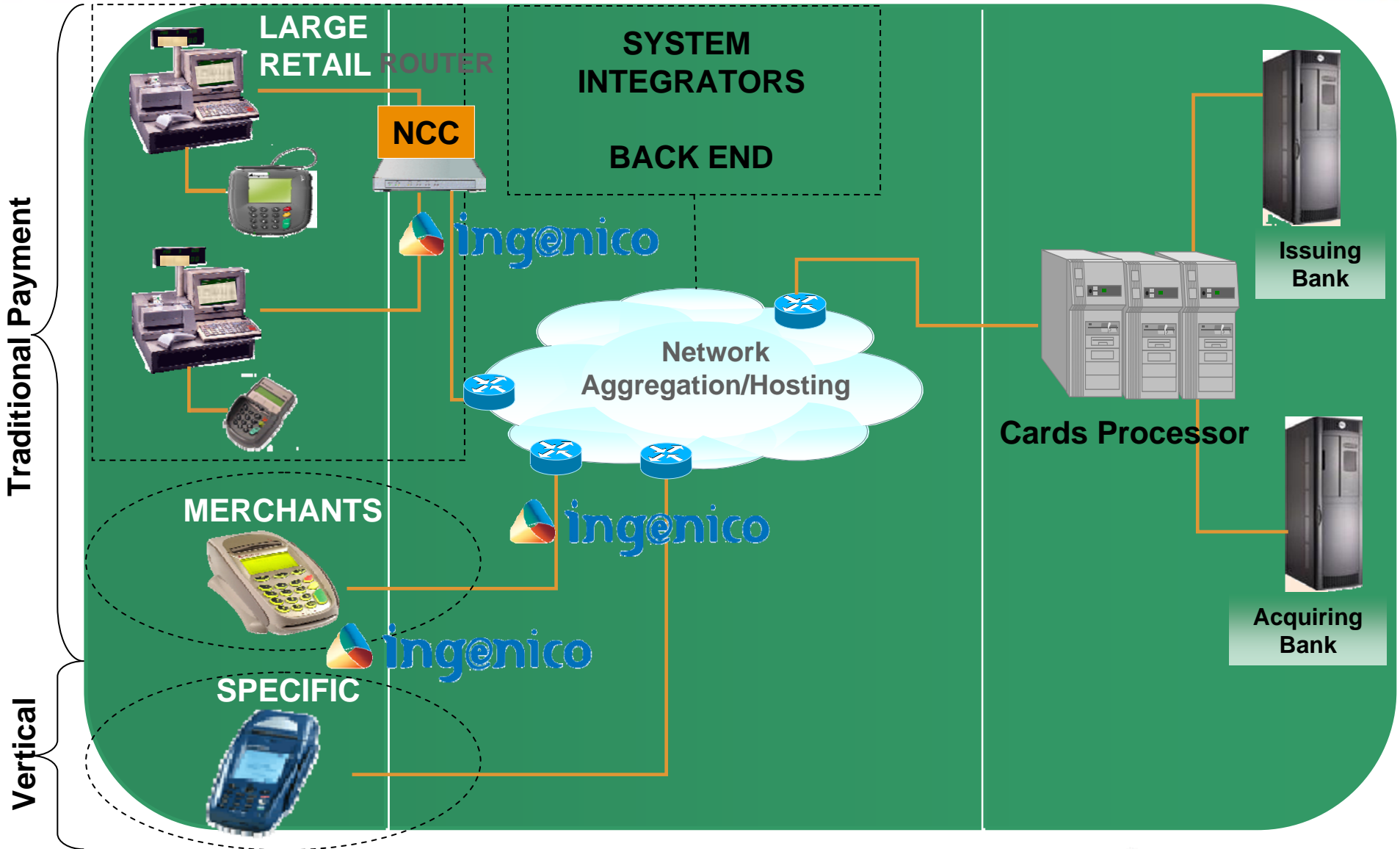
- ▶ **Turkey – 50K Wireless Terminals delivered before year end**
- ▶ **Australia – First Order with Commonwealth Bank, 35% of their business**
- ▶ **Colombia – Market leader with 95% share**
- ▶ **The Netherlands – 5M€ orders for EMV migration**
- ▶ **USA – 3 Ingenico Terminals Certified by “Chase Paymentech Solution”**
 - ▶ US largest Transactions processor

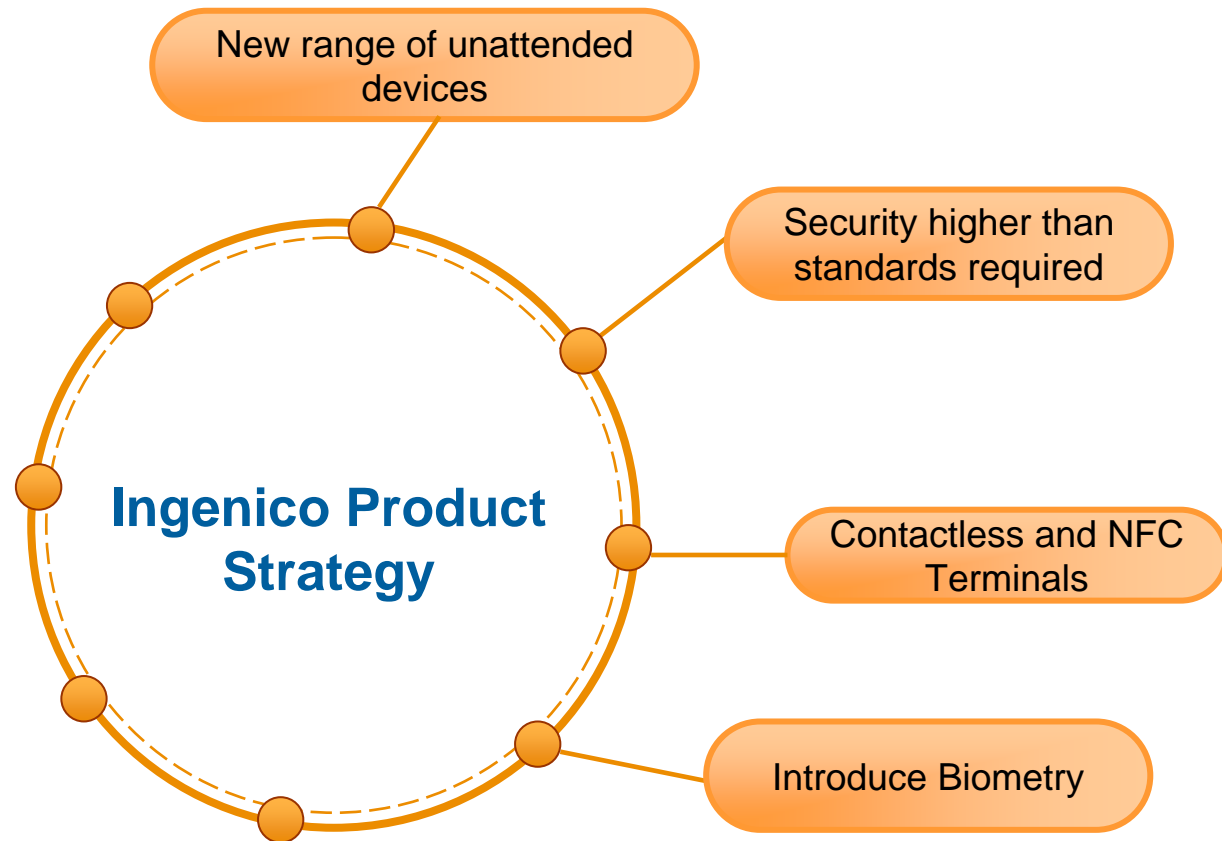


- ▶ **EMV and 'Chip and Pin' deployed in 5 countries only, acceleration to '08 and '09 deadline**
- ▶ **Pan-Continental payment platforms like SEPA***
- ▶ **Emerging Countries terminalization**
 - ▶ Tax collection
 - ▶ Tourism
- ▶ **Security and competitiveness to enlarge the Merchant base for the acquirer banks**
- ▶ **Mobility and communication multiplicity**
- ▶ **Unattended: migration to open payment system**
- ▶ **Contactless and Near Field Communication**

*Single European Payment Area

▶ Ingenico Value Chain







Integrate biometric captors
in terminals



Merchant Identification



Finger Print storage
in case of dispute

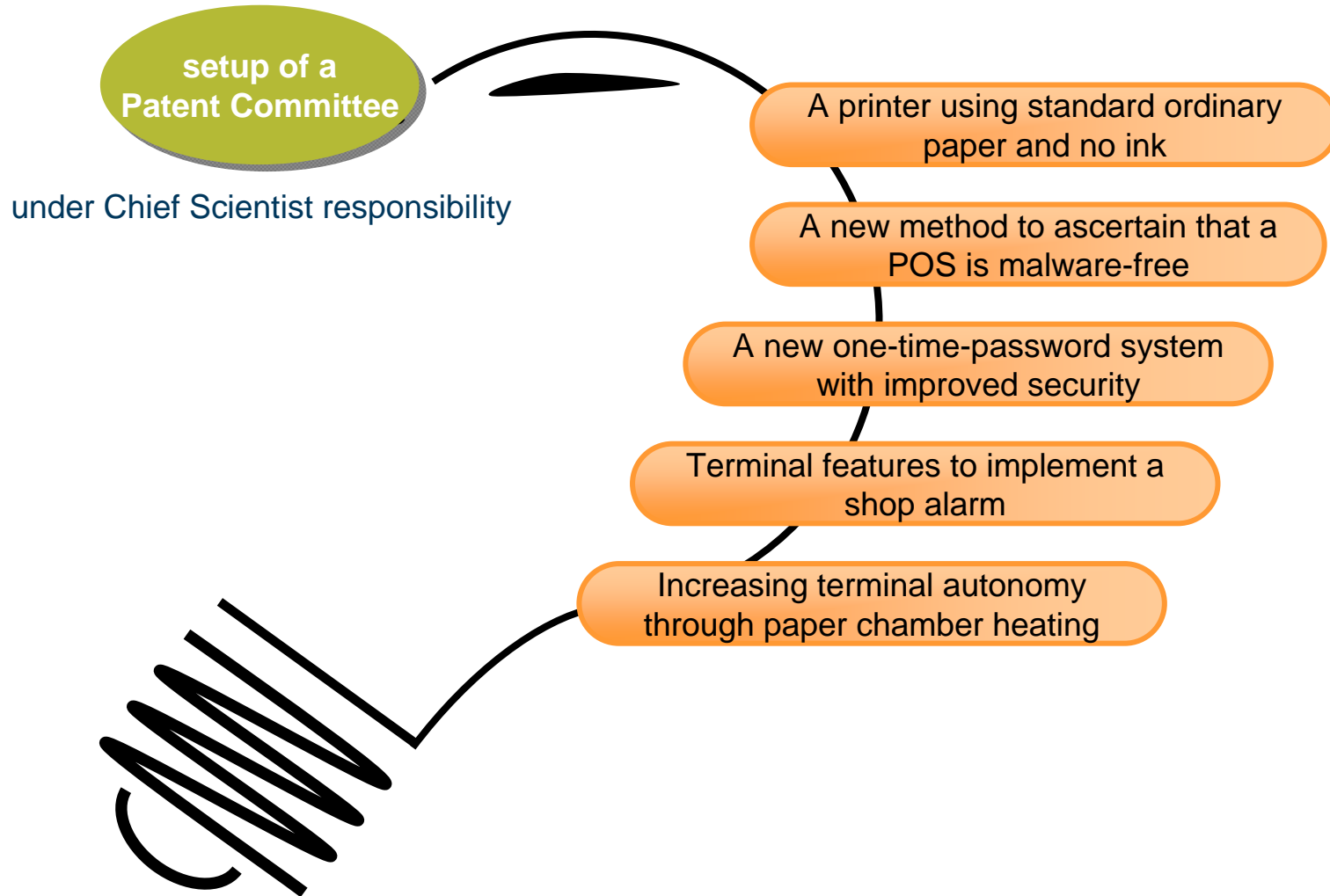


Cardholder Identification



▶ A True Patent Policy

▶ Over 30 Patent Projects since September 2005



▶ Conclusion

- ▶ **Ingenico is re-inventing itself within its own culture**
- ▶ **Ingenico is taking advantage of its strength, of being a Multi-Local company**
- ▶ **Ingenico is innovating, designing the future of secure transaction acceptance solutions**

- ▶ **We are expanding our territorial coverage**
- ▶ **We are going to deploy globally our services and solutions**
- ▶ **We will enter collateral markets**

- ▶ **'07 Objectives reach**
 - ▶ Market growth in Mexico, India, Russia. Terminal conversion in France and Germany.
 - ▶ Volumes sales of: Mono-application Terminals, Blue Tooth, WiFi and GPRS
 - ▶ Retail switching and hosting solution to be deployed in Europe





Questions/Answers