

H1 – 2007 RESULTS

Business Report



September 20th, 2007
Hotel Bristol



Secure Transaction and payment solutions

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Business Overview H1 - 2007

- ▶ **Recovery efforts still paying off with strong profitability for H1**
- ▶ **Significant commercial wins worldwide**
- ▶ **Keeping the momentum for controlling costs and improving operating margins**
- ▶ **Well positioned to seize opportunities: combination with Sagem**

- ▶ **Solid gross margin up +13.4% to 89.8 M€**
- ▶ **Strong EBIT growth, up +57% to 23.1 M€ (+8.9% margin)**
- ▶ **EPS up +43% to 0.40€**
- ▶ **Increased profitability maintains significant free cash flow growth**

▶ Significant commercial wins worldwide

UK

Barclaycard - 50 000 *i5100IP* terminals scheduled for delivery this financial year extended to 64.000 units by March 2008

Lloyds TSB - All Lloyds TSB branches to be provided with Chip and PIN (EMV) capability
10.000 units across the UK

France

JC Decaux (Velib') - City of Paris and european cities for open system payments on bicycle renting system

Credit Agricole - 50 K terminals over 2007

USA

TASQ / First Data - Distribution and partnership contract

Russia

Svobodnaya Kassa - 17.000 *i7910* (GPRS Terminals)

Turkey

Guaranti Bank - 50 K terminals over 2007

China

CUP Bank of Communication (Olympics) - One of the top five bank of China, Former Verifone account
Ingenico has been selected to provide terminals for the Olympics; Selling the whole product range: 5000 units of *i5100* + *i3010*, 1000 units of *i7910* (first sale in China), 10 NCC

India

Oxygen - 50 K Aqua terminals over 2007 and 2008

BSNL - 50 K Aqua terminals over 2007 and 2008

▶ Further positions in established and high growth markets



- ▶ **EMS re-localization from high & middle cost countries to low cost countries**
- ▶ **Active BOM management**
- ▶ **Global transport cost reduction (In-bound & Out-bound),**
- ▶ **Improved management of overall supply chain process**



Financial Results H1 - 2007

Strong profitability

M€	H1 2006	H1 2007	VARIATION
Sales	255,2	260,1	+ 1.9%
COGS	(176,0)	(170,3)	- 3.2%
Gross Margin	79,2 31,0%	89,8 34,5%	+ 13.4%
R&D	(21,5) 8,4%	(19,3) 7,4%	- 10.2%
Sales & Marketing	(16,1) 6,3%	(18,2) 7%	+ 13%
G&A	(26,9) 10,5%	(29,3) 11,2%	+ 8.9%
EBIT	14,7	23,1	+ 57.1%
PROFITABILITY	5,8%	8,9%	+53.4%

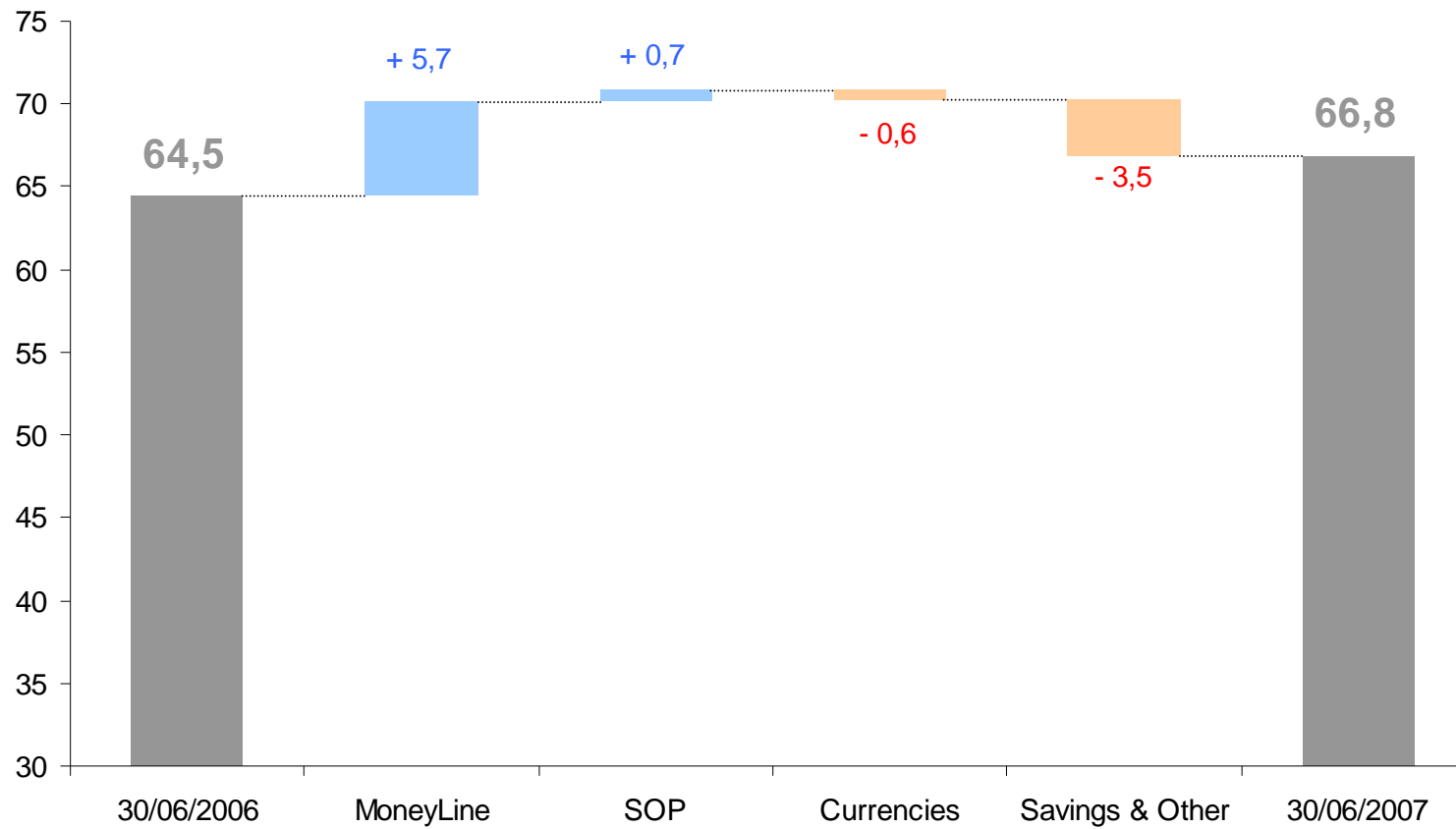
**+5.5% VS
H2 2006**

(source: internal reporting)

	H1 2006	H1 2007
Terminals Sales	204,5	207,5
Terminals Gross Margin	88,3	98,2
<i>% of sales</i>	<i>43,2%</i>	<i>47,3%</i>
Software & Services Sales	50,7	52,6
Gross Margin Software & Services	11	13,8
<i>% of Sales</i>	<i>21,7%</i>	<i>26,2%</i>
Indirects Costs	(20,1)	(22,2)
<i>% of sales</i>	<i>(7,9%)</i>	<i>(8,5%)</i>
TOTAL Gross Margin	79,2	89,8
	31,0%	34,5%

Terminals Gross Margin improvement comes from

- ✓ **Redesign To Cost programs**
- ✓ **Purchasing Performance**
- ✓ **Quality Improvement (less repair & maintenance)**
- ✓ **Yield Improvement**
- ✓ **EMS Geographical Reorganization**



Net result increase

M€	H1 2006	H1 2007	Variation
EBIT	14,7	23,1	+ 57.1%
Non recurring	1,8	(2,4)	
EBIT after non-recurring	16,5	20,7	+ 25.5%
Financial Results	(6,2)	(2,9)	
Income Tax	(2,0)	(5,4)	
Net Result	8,3	12,4	+ 49.4%
EPS	0,28	0,40	+ 42.9%

▶ Non recurring reflecting on going actions

Non Recurring	M€	H1 2006	H1 2007
Restructuring Charges		(2,3)	(3,9)
Disposal of Assets		2,3	2,0
Legal Claims /Non Quality		2,1	(0,5)
Other		(0,3)	0
TOTAL		1,8	(2,4)

*Japan
& worldwide
program of
efficiency*

*Australian
non core
business*

Financial Results	M€	H1 2006	H1 2007
Oceane's Interests		(1,9)	(2,0)
Interests (Other)		(2,7)	(2,2)*
FX effects		(3,2)	(1,1)
Revenues on Securities and Other		1,5	2,4
TOTAL		(6,3)	(2,9)

* Savings due to net debt reduction partially offsetted by interests rates increase.

	M€	
January 1st 2007	146,9	
Half-Yearly result	12,4	Net Debt (14,4)
Dividends	(3,2)	
Capital Increase	3,6	
SOP and free shares	3,2	
CTA & Other	1,5	Gearing 0,09
Treasury Shares	0,1	
June 30, 2007	164,5	

Cash Flow generation driven by increased profitability

M€	H1 2006	H1 2007	Variation
Cash Flow before working capital	9,8	24,7	x 2.5
Working Capital Variation	(7,0)	(8,7)	
Cash Flow Operational	2,8	16	x 5.7
CAPEX	(4,6)	(6,2)	
Free Cash Flow	(1,8)	9,8	
Perimeter Variation (subsidiaries/activities)	10,5	3,3	
Increase in Capital	1,3	3,5	
Currencies & Others*	(3,6)	5,0	
Dividends		(3,2)	
Treasury Shares	(7,5)	- - -	
Net debt variation	(1,1)	(18,4)	
Net Debt as of June 30	(64,5)	(14,4)	

* Including interests for 2,5 M€ in H1 2007

Future Challenges – Preliminary thoughts

Sagem Monnetel deal : an opportunity in line with our strategy

- **Combination of two well-established businesses to create world's leader secure electronic transactions solutions provider**
- **Leverage improved product and services portfolio via extensive direct sales force to broader customer base**
- **Consolidate position in profitable, established markets (Europe) - underpins opportunities in high-growth markets (Lat Am, Middle East)**
- **Significant cost synergies foreseen**
- **Impact of the transaction:**
 - EPS neutral in first 12 months
 - Value accretive after Year 1
- **Ingenico to issue new shares to Sagem Sécurité which becomes largest shareholder with approximately 25% stake**
- **Transaction expected to close before end of 2007 or beginning of 2008**

MONETEL

2006 Revenues	€120 million
EBIT Margin	9.7%
Service Revenues	~10% of sales
Unit Volume	600k units
Footprint	20 countries
Market Share	6-7%
Employees	400

INGENICO

2006 Revenues	€506 million
EBIT Margin	6.5%
Service Revenues	~20% of sales
Unit Volume	2,200k units
Footprint	100+ countries
Market Share	25-26%
Employees	1450

H1 Revenue : above 80 M€

➤ The right scale

- ▶ Industry's most extensive commercial network
- ▶ Deepens reach within existing markets
- ▶ # 1 or # 2 in most high-growth markets especially Latin America, Middle East
- ▶ One of the largest R&D budget in sector

➤ The right scope

- ▶ Market leading terminals
- ▶ Optimal product mix: high-margin wireless options, emerging market terminals
- ▶ Opportunity to extend services leadership by targeting Sagem Monétel customer base
- ▶ Access to developing market for health terminals: Germany and France
- ▶ Access to Sagem Sécurité expertise in biometrics, secure identification terminals, wireless technologies

- **Memorandum of Understanding signed July 25th, 2007**
- **Final due diligence underway – to be completed in October**
- **Transaction anticipated to be submitted to Ingenico shareholder meeting before end of year or beginning of 2008**
- **Signing of contribution agreement contingent on:**
 - Approval by both boards
 - Financial and legal due diligence
 - Opinion of relevant employee representative bodies
 - Antitrust approval in all relevant markets

Conclusion

- ▶ **The group's fundamentals are strong**

- ▶ **The turnaround strategy is delivering successfully**

- ▶ **Challenges ahead :**
 - Accelerate build-up on our product and service offer
 - Maintain profitable growth

- ▶ **We maintain our objectives of 7% to 10% sales growth for FY 2007**
- ▶ **We confirm that our EBIT margin for FY 2007 should be of at least 9%**

Questions & Answers

THANK YOU



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