



PRESS RELEASE  
H1 2009 RESULTS

Neuilly sur Seine – August 26, 2009

- Strong increase in gross margin<sup>1</sup> to 39.2% of revenue in H1'09 (+2.5 points)
- Operating expenses under control
- Adjusted operating margin<sup>2</sup> in line with full-year expectations
- A sound financial position:
  - Net cash: €90.9m
  - Equity: €461.6m

Neuilly sur Seine – August 26, 2009. Ingenico (ISIN: FR0000125346 – Euronext Paris: ING) today announced its audited financial results for the half year ended June 30, 2009.

Key figures (€m)	H1'08	H1'08 pro forma <sup>3</sup>	H1'09	Change H1'09/H1'08 pro forma
Revenue	313.8	366.6	317.7	(13%)
Adjusted gross margin as a % of revenue	37.2%	36.7%	39.2%	+2.5 points
Adjusted margin on ordinary activities	10.7%	11.0%	8.4%	-2.6 points
Net cash	57.5	57.5	90.9	n.a.

Philippe Lazare, Ingenico's Chief Executive Officer, commented: "The financial performance we achieved in the first half are in line with our full-year expectations. In addition to maintaining strict control over current operations, we intend to move ahead with our strategic growth plan in order to capitalize on our sales momentum and sound financial structure."

<sup>1</sup> Adjusted figures, before Price Purchase Allocation and restructuring expenses.

<sup>2</sup> Profit from ordinary activities, before Price Purchase Allocation.

<sup>3</sup> Includes Sagem Monetel from January 1, 2008.



## Key figures

(€m)	H1'08	H1'08 pro forma	H1'09
Revenue	313.8	366.6	317.7
Adjusted gross profit <sup>1</sup>	116.9	134.4	124.7
<i>as a % of revenue</i>	37.2%	36.7%	39.2%
Adjusted profit from ordinary activities <sup>1</sup>	33.5	40.3	26.7
Adjusted margin on ordinary activities <sup>1</sup>	10.7%	11.0%	8.4%
Profit from operations	15.6	19.6	9.7
Net profit	9.2	11.4	4.8
Net cash	57.5	57.5	90.9
Shareholders' Equity	447.9	447.9	461,6

## Revenue

At constant exchange rates, revenue in the first half of 2009 was 10% lower than pro forma revenue in the prior-year first half, with performance holding up well in the second quarter of 2009. During the first half of 2009, Ingenico's business grew substantially in Asia-Pacific (particularly China and Australia) and Latin America, driven by positive trend in sales in Brazil and Mexico.

### A strong increase in gross margin as a % of revenue, thanks to the synergies resulting from the merger with Sagem Monetel

Ingenico's adjusted gross margin<sup>1</sup> as a percentage of revenue was 39.2%, up from 36.7% in the first half of 2008 (pro forma), thanks to the synergies resulting from the merger with Sagem Monetel and despite the negative impact of stronger U.S. dollar.

The main driver of this improvement was higher gross margin on payment terminal sales, which rose from 37.9% in H1 2008 (pro forma) to 42.0% of revenue in H1 2009, as a result of synergies generated by the merger with Sagem Monetel, a shift in product mix, and the fact that prices held up well. Adjusted gross margin on Software and Services declined despite reduced guarantee costs, due in particular to the fixed costs associated with extending the Group's Service business.

### Operating expenses under control

Adjusted operating expenses<sup>1</sup> in the first half of 2009 amounted to €98.0 million, compared to €94.1 million (pro forma) in the first half of 2008. With the expansion of the Services business unit and the acquisition of Landi in June 2008, this increase was expected, but was limited to €4 million, due to the first benefits from complementary cost savings plan launched in the second quarter.



In fact, with variable costs impacted by activity decrease and cost savings plan, adjusted operating expenses were down 7% from the second half of 2008 (€104.8 million).

### **Adjusted margin on ordinary activities in line with full-year expectations**

Despite lower revenue and thanks to improved gross margin, the adjusted margin<sup>2</sup> on ordinary activities stood at 8.4%, compared to 11.0% in the first half of 2008 (pro forma). This result is in line with Ingenico's full-year target.

### **Profit from operations after accounting for Purchase Price Allocation and restructuring expenses mainly related to cost savings plan.**

After accounting for Purchase Price Allocation and restructuring expenses, profit from operations totaled €9.7 million in the first half of 2009, compared to €15.6 million in the prior-year first-half. In H1 2009, expenses related to Price Purchase Allocation for acquisitions (Planet, Sagem Monetel and Landi) amounted to €9.3 million, versus €4.3 million in H1 2008, and other operating expenses totaled €7.7 million, compared to €8.0 million in H1 2008. In H1 2009, other operating expenses include the cost of migrating applications to the new Telium platform and restructuring expenses related to the closing of Ingenico's Barcelona R&D center.

### **Changes in working capital requirements in line with Group expectations**

As anticipated, working capital requirements increased by €22.9 million in the first half of 2009. This change results mostly from the increase in inventory compared to a low level of inventory as of December 31 2008 and the reduction in trade payables. Depending on sales activity, the Group expects working capital requirements at the end of 2009 to be back to a level comparable to the level recorded at December 31, 2008.

### **A sound financial position, with net cash of €91m and equity of €462m**

Net cash at June 30, 2009 totaled €90.9 million, up from €77.5 million at December 31, 2008.

Cash flow generated in the first half includes cash flow from operating activities before changes in working capital requirements of €26.2 million, an increase in working capital requirements of €22.9 million described above, as well as expenditures totaling €13.3 million to upgrade Ingenico's payment terminal range. Cash flow also includes a €27.9 million gain on the disposal of Sagem Denmark and Manison Finland, and decreased cash dividends (€4.3 million, down from €10.8 million in 2008), since a majority of the shareholders opted for stock dividends.

At June 30, 2009, the Group had undrawn confirmed syndicated lines of credit totaling €150 million.

### **Other highlights**

#### ***Ingenico Ventures acquires its first equity stake***

In July, Ingenico acquired a minority stake in Transfer To, a Singapore-based Payment Service Provider (PSP) that delivers remote prepaid airtime top-ups for mobile phones. This investment of approximately €2 million is held by Ingenico Ventures, a subsidiary of Ingenico S.A. dedicated to acquiring equity interests in companies providing technologically innovative solutions for diversifying payment methods.



## Outlook

As the Group already announced, Ingenico should generate full-year revenue from 4% to 8% lower than 2008 pro-forma revenue of €780 million (at constant exchange rates and before taking into account the disposal of Sagem Denmark and Manison Finland, companies expected to generate an estimated €20 million in revenue in the second half of 2009).

Given Ingenico's performance in the first half, with adjusted gross margin<sup>1</sup> holding up well and the cost-reduction plan yielding positive results, the Group confirms its objective of generating an adjusted operating margin<sup>2</sup> of 12.5% on revenue down 5% by leveraging the cost-reduction plan initiated in April. Assuming a decrease in revenue of between 5% and 8%, adjusted operating margin<sup>2</sup> would be between 11% and 12.5%, thanks to its flexible cost structure.

In addition to maintaining strict control over current operations, the Group intends to move ahead with its strategic growth plan in order to capitalize on its sales momentum and sound financial structure.

## Conference call

A conference call to discuss Ingenico's results in the first half of 2009 will be held on August 27, 2009 at 3p.m. (Paris time). Dial-in number: 01 70 99 32 08 (French domestic) or +44 (0)20 7162 0025 (international). The presentation will also be available on [www.ingenico.com/finance](http://www.ingenico.com/finance) on August 27 at 2p.m. (Paris time).

*This press release contains forward-looking statements. The trends and objectives given in this release are based on data, assumptions and estimates considered reasonable by Ingenico. These data, assumptions and estimates may change or be amended as a result of uncertainties connected in particular with the performance of Ingenico and its subsidiaries. These forward-looking statements in no case constitute a guarantee of future performance, involves risks and uncertainties and actual performance may differ materially from that expressed or suggested in the forward-looking statements. Ingenico therefore makes no firm commitment on the realization of the growth objectives shown in this release. Ingenico and its subsidiaries, as well as their executives, representatives, employees and respective advisors, undertake no obligation to update or revise any forward-looking statements contained in this release, whether as a result of new information, future developments or otherwise. This release does not constitute an offer to sell or the solicitation of an offer to buy or subscribe for securities or financial instruments.*

## About Ingenico (ING)

Ingenico is the world's leading provider of payment solutions, with over 15 million terminals deployed in more than 125 countries. Its 2,500 employees worldwide support retailers, banks and service providers to optimize and secure their electronic payments solutions, develop their offer of services and increase their point of sales revenue. Ingenico generated pro-forma revenue of €780M in 2008. More information on [www.ingenico.com](http://www.ingenico.com).

ISIN code	Bloomberg	Reuters
FR0000125346	ING FP	ING.PA



INGENICO – Investor Relations  
Catherine Blanchet  
Investor Relations Director  
[catherine.blanchet@ingenico.com](mailto:catherine.blanchet@ingenico.com)  
01.46.25.82.20

INGENICO – Press Contact  
Max-Paul Sebag  
CEO's Public Relations Director  
[max-paul.sebag@ingenico.com](mailto:max-paul.sebag@ingenico.com)  
01.41.44.68.56

#### **Upcoming events**

Conference call on H1 2009 results: August 27, 2009 at 3 p.m. (Paris time)  
Publication of Q3 revenue: October 22, 2009



## APPENDIX 1

### Basis of preparation of financial information

The summary consolidated financial statements presented in Appendix 2 have been prepared in accordance with IAS 34, "Interim Financial Reporting".

Complementary financial data, prepared on an (unaudited) adjusted basis and not in accordance with IFRS, is also presented. In particular, adjustments have been made to the cost of sales, as well as to the presentation of operating expenses and profit from ordinary activities, operating margin and net profit, excluding non-recurring expenses in relation to the acquisition, in 2008, of Sagem Monotel, merger-related restructuring expenses or expenses resulting from the accounting treatment of the merger. The latter comprise the amortization of the intangible assets recognized at the time of the merger and the cancellation of the accounting entry for inventories at resale value. Non-recurring expenses in relation to the merger are expenses that would not have been recorded if the merger had not taken place, i.e. essential professional fees to ensure the success of the integration process. Merger-related restructuring expenses include costs in relation to the reduction in Head Office manning levels (particularly termination benefits).

Ingenico considers that these indicators are nevertheless useful inasmuch as they provide extra information enabling a clearer assessment of the company's past and future financial performance. In addition, the company's management uses such indicators in the planning and assessment of its operational performance. This information may not be comparable to similar information disclosed by other companies, even if it goes under the same heading.

### IFRS results and reconciliation between adjusted results and IFRS

In the tables below, the company provides information enabling reconciliation between the IFRS income statement and the adjusted (unaudited) income statement for the half year ended June 30, 2009 and for the half year ended June 30, 2008. This reconciliation includes €9.3m of amortization and intangible assets. A more detailed description of the adjustments made to the IFRS income statement can be found below.



Consolidated income statement for the half year ended June 30, 2009

Reconciliation of the IFRS financial statements and the (unaudited) adjusted financial statements

(€m)	IFRS financial statements	Amortization of intangible assets (1)	Adjusted financial statements
Sales	317.7		317.7
Cost of sales	(193.0)		(193.0)
Gross margin	124.7		124.7
Research and development	(39.1)	5.7	(33.3)
Sales expenses	(27.8)	3.6	(24.2)
General and administrative expenses	(40.4)		(40.4)
Operating profit from ordinary activities (EBIT)	17.4	9.3	26.7

- (1) The adjustments to intangible assets correspond to the amortization in Q2 2008 of the intangible assets recognized in relation to business combinations, i.e. customer relationships and existing technologies or in-process research and development. The total amount of this amortization before tax was €9.3m, including €7.6m related to the Sagem Monetel acquisition and €1.7m related to the other acquisitions (MoneyLine, Planet and Landi).



Consolidated income statement for the half year ending on June 30,2008  
Reconciliation of the IFRS financial statements and the (unaudited) adjusted financial statements

(€m)	IFRS financial statements	Merger-related expenses (1)	Inventory adjustments (2)	Amortization of intangible assets(3)	Adjusted financial statements
Sales	313.8				313.8
Cost of sales	(202.5)		5.6		(196.9)
Gross margin	111.3		5.6		116.9
Research and development	(28.6)			2.1	(26.5)
Sales expenses	(23.2)			2.2	(21.0)
General and administrative expenses	(35.9)				(35.9)
Operating profit from ordinary activities (EBIT)	23.6		5.6	4.3	33.5
Other operating income and expenses	(8.0)	7.6			(0.4)
Operating profit	15.6	7.6	5.6	4.3	33.1
Financial result	(2.3)				(2.3)
Taxation (4)	(4.2)	(2.5)	(1.9)	(1.4)	(10.1)
Net profit	9.2	5.1	3.7	2.9	20.7

- (1) In 2008, merger related expenses: restructuring costs, which would not have been incurred if the merger had not taken place. These are very largely the costs relating to the adjustment of manning levels in the Barcelona R&D center. In 2007, includes all restructuring costs booked.
- (2) Inventory adjustment: IFRS standards imply that the value of inventories of the acquired company is recognized at fair value on the day of the acquisition, minus the future cost of their sale. The effect of this inventory revaluation is to reduce margins when the inventories are eventually sold. It has been cancelled here to enable monitoring of the gross margin.
- (3) The adjustments to intangible assets correspond to the amortization in Q2 2008 of the intangible assets recognized in relation to business combinations, i.e. customer relationships and existing technologies or in-process research and development. The amount of this amortization, calculated for durations described in the note to the opening balance sheet of Sagem “payment terminals”, was €3.4m, to which a pre-tax €0.9m amortization charge for intangible assets related to previous acquisitions (MoneyLine, Planet) should be added.
- (4) The tax rate on the restated figures is estimated on average for the group at 33.33%.





## APPENDIX 2: Income statement, Balance Sheet, Cash Flow Statement

A complete set of IFRS financial statements is available on [www.ingenico.com](http://www.ingenico.com)

### 1. INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (AUDITED)

(in thousands of euros)	June 30, 2008	June 30, 2009
<b>Revenue</b>	<b>313 806</b>	<b>317 696</b>
Cost of sales	(202 519)	(193 016)
<b>Gross profit</b>	<b>111 287</b>	<b>124 681</b>
Distribution and marketing costs	(23 234)	(27 806)
Research and development expenses	(28 560)	(39 083)
Administrative expenses	(35 863)	(40 417)
<b>Profit from ordinary activities</b>	<b>23 630</b>	<b>17 375</b>
Other operating income	73	629
Other operating expenses	(8 113)	(8 321)
<b>Profit from operations</b>	<b>15 590</b>	<b>9 683</b>
Total interest expense	(1 217)	(1 031)
Income from cash and cash equivalents	1 458	968
Other financial income and expenses	(2 495)	(1 325)
<b>Profit before income tax</b>	<b>13 336</b>	<b>8 295</b>
Income tax	(4 153)	(3 522)
<b>Profit for the period</b>	<b>9 183</b>	<b>4 774</b>
Attributable to:		
- Ingenico S.A. shareholders	9 164	4 774
- Minority interests	19	0
<b>Earnings per share (in euros)</b>		
Net earnings		
- basic	0,22	0,10
- fully diluted	0,22	0,10



## 2. INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS (AUDITED)

Assets (in thousands of euros)	December 31, 2008	June 30, 2009
<b>NON-CURRENT ASSETS</b>		
Goodwill	221 437	198 350
Other intangible assets	103 257	97 159
Property, plant and equipment	25 361	26 595
Financial assets	3 265	3 220
Deferred tax assets	20 631	23 702
Other non-current assets	1 030	723
<b>Total non-current assets</b>	<b>374 979</b>	<b>349 749</b>
<b>CURRENT ASSETS</b>		
Inventories	77 211	92 306
Trade and related receivables	177 390	174 868
Other current assets	3 577	3 852
Current tax receivables	8 602	8 947
Derivative financial instruments	162	35
Short-term investments	2 847	2 412
Cash and cash equivalents	142 770	100 387
<b>Total current assets</b>	<b>412 560</b>	<b>382 807</b>
<b>Total assets</b>	<b>787 539</b>	<b>732 556</b>
<b>Equity and liabilities (in thousands of euros)</b>		
<b>EQUITY</b>		
Share capital	47 793	48 401
Share premium account	371 538	378 011
Retained earnings and other reserves	44 000	39 180
Translation differences	(8 229)	(3 948)
<b>Equity attributable to Ingenico S.A. shareholders</b>	<b>455 102</b>	<b>461 644</b>
<b>Minority interests</b>	<b>0</b>	<b>0</b>
<b>Total equity</b>	<b>455 102</b>	<b>461 644</b>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings and long-term debt	61 018	1 645
Provisions for retirement benefit obligations	4 776	7 699
Other provisions	10 645	12 232
Deferred tax liabilities	24 216	22 051
Other non-current liabilities	4 827	7 481
<b>Total non-current liabilities</b>	<b>105 482</b>	<b>51 109</b>
<b>CURRENT LIABILITIES</b>		
Short-term borrowings	7 149	10 236
Current provisions	10 310	10 935
Trade payables and related accounts	153 960	158 318
Income tax expense	5 184	6 927
Derivative financial instruments	2 472	3 191
Other liabilities	47 880	30 197
<b>Total current liabilities</b>	<b>226 955</b>	<b>219 803</b>
<b>Total liabilities</b>	<b>332 437</b>	<b>270 912</b>
<b>Total equity and liabilities</b>	<b>787 539</b>	<b>732 556</b>



### 3. INTERIM CONSOLIDATED CASH FLOW STATEMENTS (AUDITED)

(in thousands of euros)	June 30, 2008	June 30, 2009
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the period	<u>9 183</u>	<u>4 774</u>
Adjustments for:		
Share of profits of associates		
Income tax expense	4 153	3 522
Depreciation, amortization and provisions	9 447	19 625
Gains/(losses) on remeasurement at fair value	899	1 947
Gains/(losses) on disposal of assets	497	117
Net interest expense	621	1 624
Dividend income	(1)	1
Share-based payment expense	4 438	3 091
Interest paid	(3 578)	(2 119)
Tax paid	(12 621)	(6 427)
<b>Cash flow from operating activities before change in working capital requirements</b>	<b>13 037</b>	<b>26 155</b>
Change in working capital requirements		
inventory	(5 694)	(17 459)
trade and other receivables	13 941	5 125
trade and other payables	9 465	(10 534)
<b>Net cash flow from operating activities</b>	<b>30 749</b>	<b>3 287</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of non-current assets	(7 970)	(13 348)
Gains on disposal of non-current assets	73	41
Acquisition of subsidiaries, net of cash acquired	675	(1 627)
Disposal of subsidiaries, net of cash disposed of	(0)	27 934
Short-term investments	9 272	
Loans and advances granted	(261)	(350)
Loan repayments received	511	175
Interest received	1 026	259
Dividends received	0	(1)
Changes in short-term investments	881	
<b>Net cash flow from investing activities</b>	<b>4 209</b>	<b>13 084</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from share issue	69	(11)
Purchase/(sale) of treasury shares	(8 093)	400
Issuance of debt	302	1 925
Repayment of debt	(32 270)	(62 970)
Changes in other financial liabilities	591	
Changes in the fair value of hedging instruments		0
Dividends paid	(10 771)	(4 310)
<b>Net cash flow from financing activities</b>	<b>(50 172)</b>	<b>(64 965)</b>
Effect of changes in exchange rates	(1 096)	559
OCEANE bond buybacks – equity component	(3 061)	
Financial asset reclassified under cash equivalents		1 083
<b>Change in cash and cash equivalents</b>	<b>(19 372)</b>	<b>(46 952)</b>
Cash and cash equivalents at beginning of period	70 096	139 112
Cash and cash equivalents at end of period (1)	50 724	92 160

#### Comments

	30/06/2008	30/06/2009
<b>(1) Cash and cash equivalents</b>		
UCITS (only portion readily convertible into cash)	28 499	71 035
Cash on hand	36 977	29 353
Bank overdrafts	(14 752)	(8 227)
<b>Total cash and cash equivalents</b>	<b>50 724</b>	<b>92 160</b>
UCITS (portion qualifying as short-term investments) designated as at fair value through profit and loss	4 763	
Available-for-sale assets	6 313	2 412
<b>Total cash, cash equivalents and short-term investments</b>	<b>61 800</b>	<b>94 572</b>