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H1 2010 Earning Results July 30 2010

Disclaimer

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All forward-looking statements are Ingenico management's present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

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Review of activities H1 2010

Philippe Lazare

H1 2010 key highlights



- Commercial performance driving strong H1 revenue, above our expectations: +10%*
- Adjusted operating profit: +24%**
- Strong operating cash flow: 44 million
- Upwards revision of FY2010 revenue guidance: 805-815 m€*
- Executing 2010-2013 strategic plan: 2 takeovers in value-added-services

* Pro forma performance at constant exchange rates

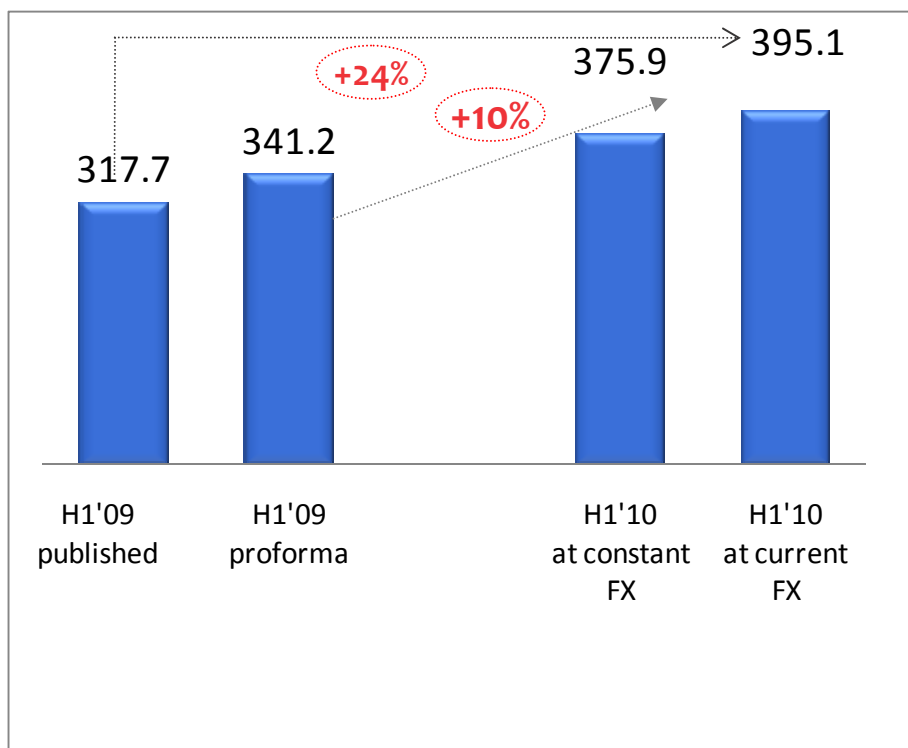
** On a comparable basis



Commercial performance driving strong H1 revenue



Revenue in million euros



- **Strong commercial performance**
- **+8.4%***: growth derived from terminals (hardware & maintenance services)
 - +10%: volume of terminal sold
 - Stable ASP
- **+15.8%***: growth derived from transaction services in line with expectations
- **Positive FX impact: +19.7m€** mostly driven by stronger Real (Brazil) . Australian dollar and CNY

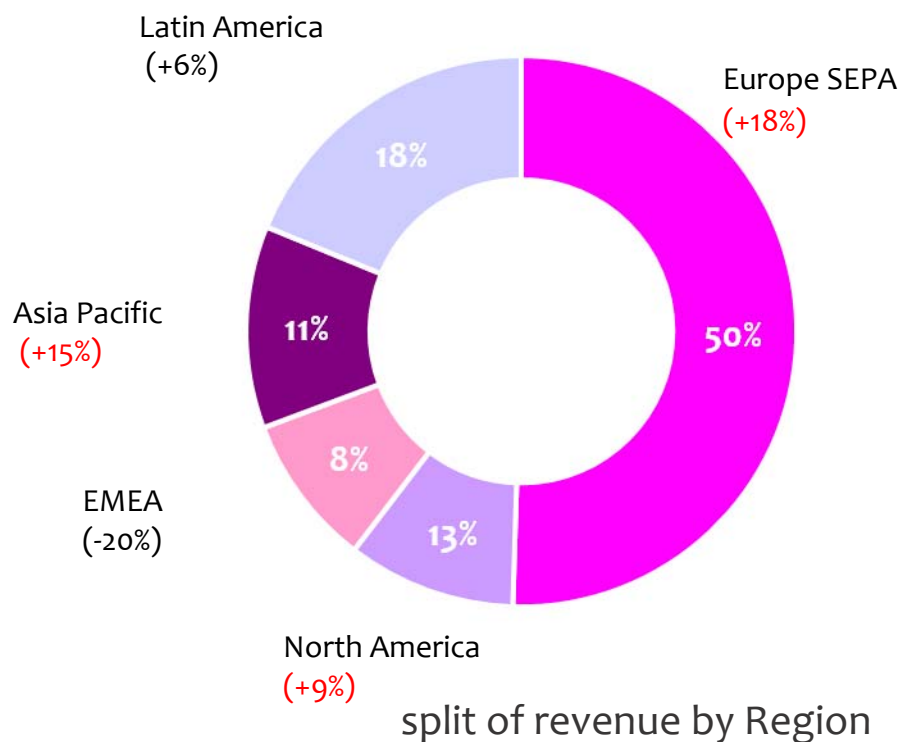
* Pro forma performance at constant exchange rates



H1'10 over performance mostly driven by Europe and Asia Pacific



Year on Year Revenue growth in all regions. except EMEA



- Europe SEPA: **+18%**. Continued strong growth in Germany & France driven by standard evolution and banking RFP won in Q4'09. Recovery in the UK & Spain
- Asia Pacific: **+15%**. Strong growth, particularly in China
- North America: **+9%**. Favorable basis of comparison
- Latin America: **+6%**. Growth driven by significant sales in Brazil in anticipation of the change in the acquiring market structure
- EMEA: **-20%**. Stabilized activity in Turkey. Unfavorable basis of comparison in the Middle East

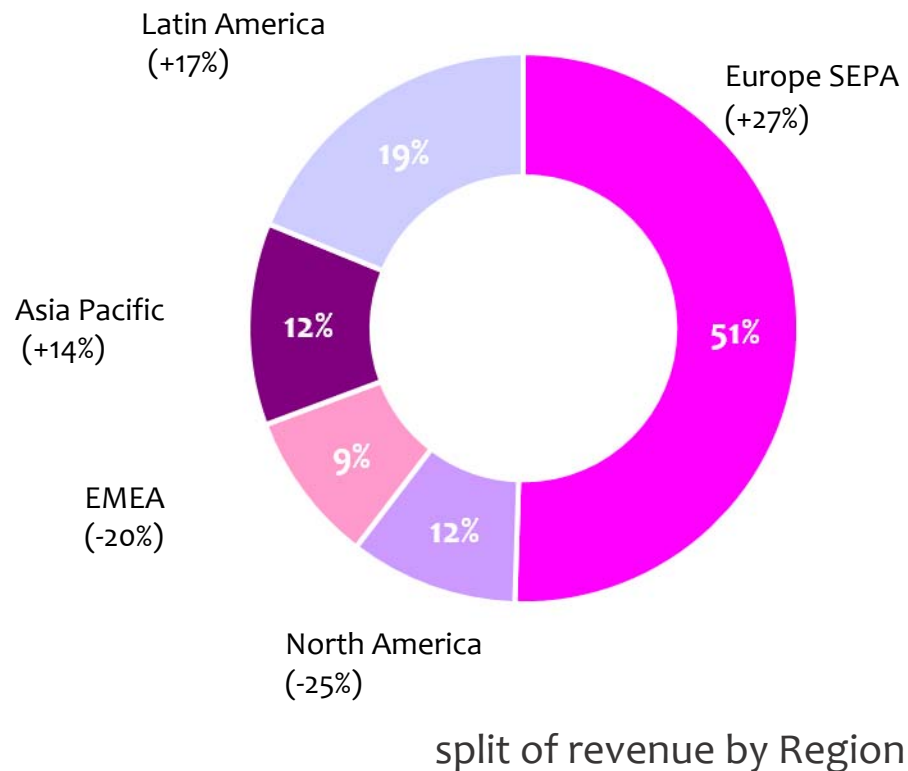
* Pro forma performance at constant exchange rates



Q2'10 performance mostly driven by Asia Pacific. Brazil & Asia



Year on Year Revenue growth acceleration in Asia, Latin America and Europe



- Europe: +27%. Growth acceleration in France and Germany. Improved performance in the UK & Spain
- Asia Pacific: +14%. Strong growth in China and good performance in Australia
- Latin America: +17%. Growth acceleration driven by significant sales in Brazil in anticipation of the change in the acquiring market structure scheduled on July 1st 2010
- North America: -25%. Unfavorable basis of comparison with Q2'09. Return to positive dynamics expected with introduction of Telium terminals scheduled in Q4'10
- EMEA: -20%. Stabilized activity in Turkey. Unfavorable basis of comparison in the Middle East

* Pro forma performance at constant exchange rates



Q2'10 customer highlights



France: 1st development of easycash model with major distributor

France: great success of the contactless pilot in Nice; IPA pilot with transport company

Germany: solutions for coop, Gravis, Reno

Germany: strategic partnership for mpass (Vodafone & 02)

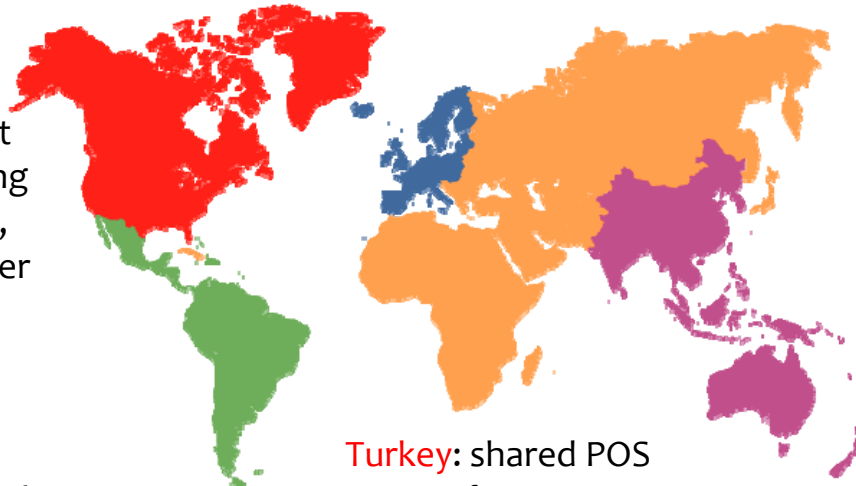
Norway/Sweden: BBS piloting new Telium products, 3000 ICT220

Finland: 1st order for the IPP350

Italy: Self Service Card Registration system for Costa Cruises & major win with bank (pan European tender)

Spain: wins with 3 majors retailers

North America: major orders from one of the world's largest specialty retailer, from a holding Co. of multi brand retail stores, and from a global manufacturer /distributor of computers



Brazil: Redecard launches the ICT220 with Media Services; 1st order for the IPP320 with 27000 units; strategic partnership with new acquirer GetNet: over 50000 terminals sold

Turkey: shared POS system for Best Buy

Turkey: partnership with Bank Asya for contactless for taxis

Ghana: lottery payment solution – wireless & connectivity

China: shortlisted by Bank of China, Unionpay Merchant Services & Agricultural Bank of China

China: selected by China Mobile & China Telecom

India: major wins with 2 banks





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Financial results H1 2010

Pierre-Antoine Vacheron


Basis of presentation for H1 2010 financials



- For better appreciation of the Group's performance, operating performance over the period is presented on an adjusted basis, ie excluding amortization of PPA.
- For better appreciation of the Group's performance, 2009 financial data are pro-forma based ie. including easycash and excluding Sagem Denmark, Manison Finland and Moneyline Banking System starting January 1, 2009.



Profitability improvements demonstrating operating leverage

				
In €m	H1 2009 published	H1 2009 pro forma*	H1 2010	Evolution over H1'09 pro forma
Revenue	317.7	341.2	395.1	+16%
Gross Margin	124.7	134.9	147.1	+9%
<i>In % of revenue</i>	39.2%	39.5%	37.2%	-230bp
<i>Excluding identified quality issue</i>			38.8%	-70bp
Adj. Profit from ordinary activities	26.7	29.5	36.7	+24%
<i>in % of revenue</i>	8.4%	8.7%	9.3%	+60 bp
Net Result	4.8		11.2	x2.3
EBITDA	36.8	41.2	53.6	+30%
<i>In % of revenue</i>	11.6%	12.1%	13.6%	+150 bp
Operating cash flow	0.6	-	44.3	

* Excluding contribution of subsidiaries disposed in 2009 (Sagem Denmark, Manison & Moneyline Banking System) and including contribution of Easycash in 2009

Robust gross margin on hardware



Hardware

Terminal (Hardware & Maintenance)

<i>In €m</i>	H1 2010	H1 2010 / H1 2009 PF*	<i>In €m</i>	H1 2010	H1 2010 / H1 2009 PF*
Revenue	281.5	+15.8%	Revenue	348.1	+14.8%
Gross Margin	118.0	+14.1%	Gross Margin	130.4	+7.9%
<i>In % of revenue</i>	41.9%	-60bp	<i>In % of revenue</i>	37.5%	-240bp
			Gross Margin excluding identified quality issue	39.2%	-70bp

- Increased indirect costs, including higher freight costs due to component shortages and the disruptive effect of the Iceland volcano eruptions

- Maintenance gross margin impacted by quality issue

* Excluding contribution of subsidiaries disposed in 2009 (Sagem Denmark, Manison & Moneyline Banking System) and including contribution of Easycash in 2009

Stable gross margin on transaction services



<i>In €m</i>	H1 2010	H1 2010 / H1 2009 PF*
Revenue	47.0	+23.3%
Gross Margin	16.2	+15.7%
<i>In % of revenue net of interchange fees</i>	36.6%	-20bp

- Interchange fees derived from credit acquiring revenue (booked in revenue and directly passed through to customers)

* Excluding contribution of subsidiaries disposed in 2009 (Sagem Denmark, Manison & Moneyline Banking System) and including contribution of Easycash in 2009



Operating expenses under control



<i>in €m</i>	H1 2009 PF*	H1 2010	
Research & Development	31.6	34.2	• R&D supporting technological leadership
Sales & Marketing	26.2	31.0	• Sales & Marketing expenses rise supporting commercial performance
General & Administrative	47.6	45.2	• G&A expenses under control
TOTAL operating expenses	105.3	110.4	
<i>in % of revenue</i>	30.9%	27.9%	

* Excluding contribution of subsidiaries disposed in 2009 (Sagem Denmark, Manison & Moneyline Banking System) and including contribution of easycash in 2009



EBITDA increased by 45%



In €m	H1 2009 published	H1 2009 pro forma	H1 2010
Adj. Profit from ordinary activities	26.7	29.5	36.7
<i>in % of revenue</i>	8.4%	8.7%	9.3%
Amortization and provision for liabilities	+7.0	+8.5	+14.6
Share-based payment	+3.1	+3.1	+2.3
EBITDA	36.8	41.2	53.6
<i>In % of revenue</i>	11.6%	12.1%	13.6%

* Excluding contribution of subsidiaries disposed in 2009 (Sagem Denmark, Manison & Moneyline Banking System) and including contribution of easycash in 2009

Net income multiplied by 2.3



In €m	H1 2009 published	H1 2010	
Adj. Profit from ordinary activities	26.7	36.7	
in % of revenue	8.4%	9.3%	
Purchase Price Allocation	(9.3)	(13.8)	Increase due to easycash acquisition
Operating Profit from ordinary activities	17.4	22.9	
Other operating expenses	(7.7)	(2.1)	
Operating profit	9.7	20.8	
Financial and Equity method result	(1.4)	(3.4)	
Income before tax	8.3	17.4	
Income tax	(3.5)	(6.3)	Income tax increase due to few remaining losses carry forward
Net Income	4.8	11.2	
in % of revenue	1.5%	2.8%	

Strong operating cash flow

€m	H1'09	H1'10
Net debt as of January 1	(77.5)	144.4
EBITDA	36.8	53.6
Working capital changes	(22.9)	0.9
Capex	(13.3)	(11.2)
Operating Cash Flow	0.6	43.3
Other income & expenses	(4.3)	(3.2)
Interest paid, tax and others	(4.8)	(25.8)
Dividends	(4.3)	(9.4)
Acquisitions & Disposals	26.2	(4.7)
Increase of net debt	(13.4)	0.2
Net debt as of June 30	(90.9)	144.3
Cash conversion (operating cash flow/EBITDA)	2%	81%

-Increase of tax paid to €21.4m (vs. €6.4m)
 -Share buy back: €7.4m
 -Increase of Interest paid: €6.4m vs. 2.1m

-20% dividend increase to €30c
 -Higher proportion of shareholders with dividend paid by cash: 67% vs. 35% in 2009



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Outlook

Philippe Lazare

2010 revenue outlook reviewed upwards



	2010 guidance March 2010	2010 guidance July 2010
Revenue at constant FX rates & excluding acquisitions	790-805	805-815€
Revenue growth*	+3.5+5.5%	+5.5+7%
Adj. profit from ordinary activities**	12.5-13%	confirmed
EBITDA	16-17%	confirmed

* At constant exchange rates , excluding acquisitions on a comparable basis

** Before Price Purchase Allocation



Realizing group transformation



- We are deploying our strategy for transformation towards services
- We have a clear roadmap towards 2013
 - 2013 revenue >€1bn
 - Revenue from Transactions x3 with 2/3 of organic growth
 - Recurring revenue representing ~40% of total revenue
- We are progressing well
 - Strong H1'2010
 - July 2010: majority shareholder of Transfer To (90%) and acquisition of First Data Iberica



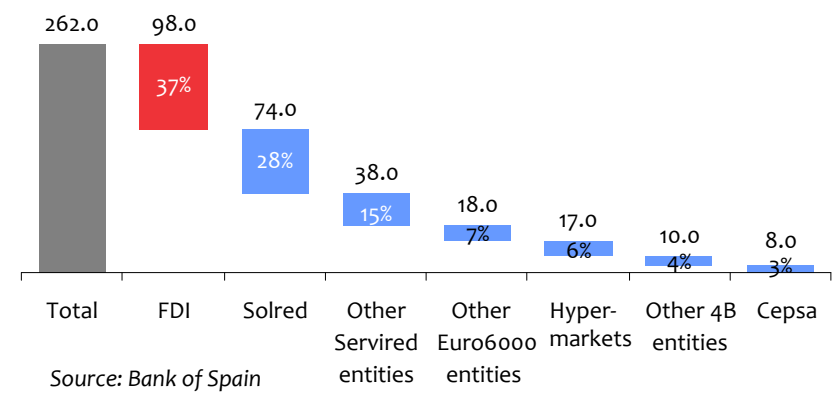
FDI: a unique opportunity to cover the whole value chain on non payment transactions in Spain




FIRST DATA IBERICA


- A unique market Position in Spain & Portugal:
 - Leading payment service provider in the petrol station sector in Spain
 - Operates complete payment value chain (from POS Terminal to Transaction) and loyalty for more than 5,000 petrol stations
 - Second issuer of private cards in the Spanish petrol stations segment (>440.000 cards issued and acquired)
 - Provides mobile top-up services to a unique estate of 42,000 POS terminals in Spain and Portugal. 14% of the Mobile Topup Spanish market
- Top up business similar to Payzone
- Synergies with Transfer To
- Revenue: ~15m€ with EBITDA margin ~25%

Market share by no. of transactions at petrol stations (Million)

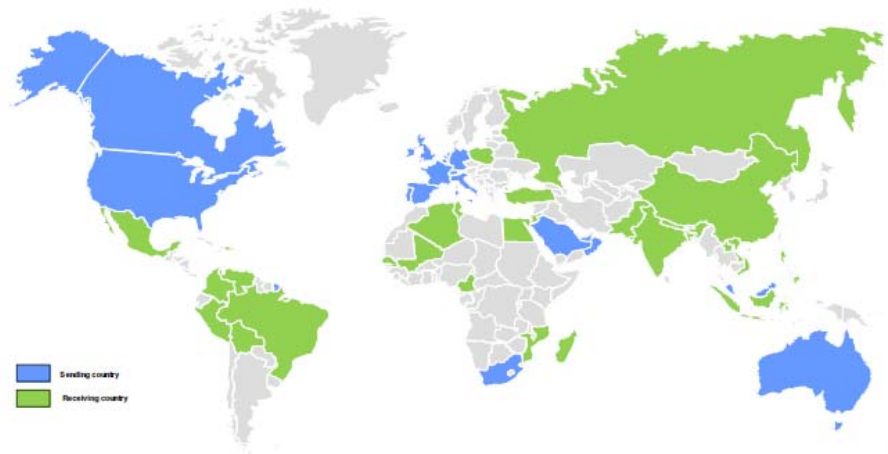


TransferTo takeover: a highly scalable VAS added to our portfolio

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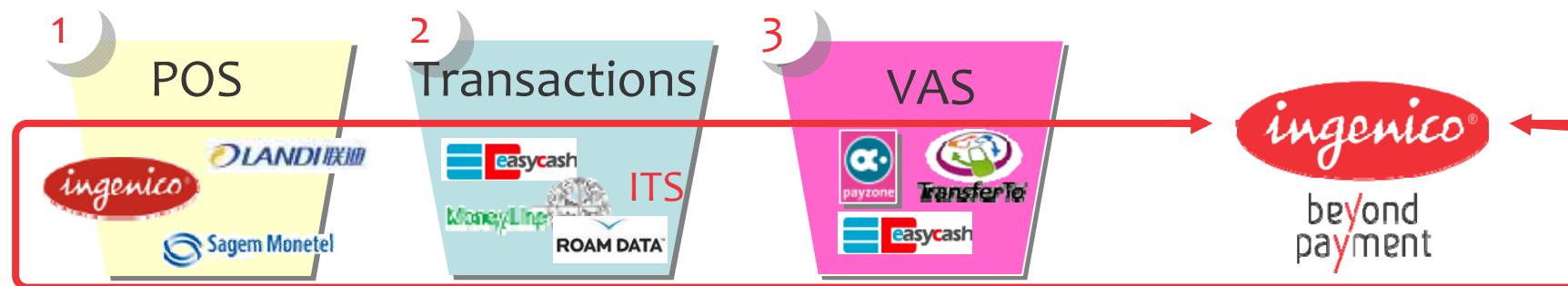


- Offers a unique platform for cross-network cross-border mobile top-up . Worldwide coverage
- Addressing exponential growth linked to a strong demand from migrants
 - 200 million migrants,vast majority with prepaid mobile phones
 - 50 billion top-ups per year
 - Airtime remittance market: US\$20 Billion. Solution for sending small amounts of value
- Offering Ingenico the opportunity to take position in the booming market of cash dematerialization
- Ingenico brings unique access to market through distribution network: PayZone in France, FDI in Spain / Portugal, easycash in Germany
- 2010 est. gross revenue of US\$40m, net revenue of US\$3m, EBITDA breakeven



Two operations in line with Ingenico's strategy to capture opportunities in transactions and VAS

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• Ingenico's move (organic and M&A) along 3 axes

- 1) Maintain leadership on POS market
- 2) Provide end-to-end solutions on a global scale to leverage the transactions management business
- 3) Differentiate and penetrate vertical markets with VAS

Ingenico investment case

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- Key focused strategy
- Technological leadership
- Well positioned in a growing market
- Continuous shift towards e-payments
- Structural changes in the payment ecosystem
- Leveraging key assets to expand margins
- Financial strength

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