HALF-YEAR FINANCIAL REPORT

As of June 30, 2016

This is a free translation into English of the 2016 First-Half report issued in French and is provided solely for the convenience of the English speaking users

CONTENTS

1/ Condensed interim consolidated financial statements as of June 30, 2016

The following condensed interim consolidated financial statements were examined by the Board of Directors on July 26, 2016 and were subject to a limited review by the statutory auditors.

I. INTERIM CONSOLIDATED INCOME STATEMENT

(in thousands of €)	Notes	June 30, 2016	June 30, 2015
REVENUE	4	**1 133 420**	**1 058 019**
Cost of sales	4	(649 697)	(590 248)
GROSS PROFIT		**483 723**	**467 771**
Distribution and marketing costs		(98 897)	(99 394)
Research and development expenses		(87 288)	(70 093)
Administrative expenses		(113 175)	(101 580)
PROFIT FROM ORDINARY ACTIVITIES		**184 363**	**196 704**
Other operating income	5.a.	3 402	104
Other operating expenses	5.a.	(3 779)	(2 761)
PROFIT FROM OPERATING ACTIVITIES		**183 986**	**194 047**
Finance income	9	44 542	59 777
Finance costs	9	(45 514)	(66 115)
NET FINANCE COSTS		**(972)**	**(6 338)**
Share of profits in equity-accounted investees		(196)	51
PROFIT BEFORE INCOME TAX		**182 818**	**187 760**
Income tax expense	10	(56 125)	(64 196)
NET PROFIT		**126 693**	**123 564**
Attributable to:			
- Ingenico Group SA shareholders		122 075	122 352
- non-controlling interests		4 618	1 212
EARNINGS PER SHARE (in €)			
Net earnings:			
- basic earnings per share		**2,01**	**2,03**
- diluted earnings per share		**1,96**	**2,02**

II. INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of €)	**June 30, 2016**	**June 30, 2015**
Profit for the period attributable to Ingenico Group SA shareholders	**122 075**	**122 352**
Translation differences	(7 123)	31 296
Gains or losses of derivative hedging instruments(1)	215	(28)
Gains or losses of available-for-sale financial assets	(7 983)	
Actuarial gains/(losses) on defined benefit plans	(2 414)	
Income tax on gains/(losses) accounted in other comprehensive income	2 548	8
TOTAL GAINS/LOSSES ACCOUNTED IN OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO INGENICO GROUP SA SHAREHOLDERS(2)	**(14 757)**	**31 276**
Profit for the period and other comprehensive income attributable to Ingenico Group SA shareholders	107 318	153 628
Total comprehensive income attributable to non-controlling interests	4 618	1 212
Translation differences attributable to non-controlling interests	(1 009)	(516)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**110 927**	**154 324**

(in thousands of €)	**June 30, 2016**	**June 30, 2015**
Income tax on translation adjustments	3	
Income tax on gains or losses on hedging instruments	(227)	8
Income tax on change in value of financial assets available for sale	2 321	
Income tax on actuarial gains and losses on defined benefit plans	451	
TAXES ON GAINS/LOSSES ACCOUNTED IN OTHER COMPREHENSIVE INCOME	**2 548**	**8**

2016:
(1) The portion of the gains or losses on interest rate swaps on bank loans and on foreign exchange forward contracts used to hedge cash flows that is determined to be an effective hedge is recognized directly in Other Comprehensive Income.
(2) All items recognized in Other Comprehensive Income except for actuarial gains or losses on remeasurement of the Group's defined benefit liability will subsequently be recycled to the consolidated income statement.

2015 :
(1) The portion of the gains or losses on interest rate swaps on bank loans and on foreign exchange forward contracts used to hedge cash flows that is determined to be an effective hedge is recognized directly in Other Comprehensive Income.
(2) All items recognized in Other Comprehensive Income except for actuarial gains or losses on remeasurement of the Group's defined benefit liability will subsequently be recycled to the consolidated income statement.

III. INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

(in thousands of €)	Notes	June 30, 2016	Dec. 31, 2015
Goodwill	7	1 357 793	1 350 519
Other intangible assets		498 561	508 524
Property, plant and equipment		54 314	55 857
Investments in equity-accounted investees		8 734	12 293
Financial assets	9.c.	12 098	11 250
Deferred tax assets		52 972	48 880
Other non-current assets	9.c.	31 848	31 316
TOTAL NON-CURRENT ASSETS		**2 016 320**	**2 018 639**
Inventories	5.b.	146 184	143 625
Trade and related receivables		477 459	461 435
Receivables related to intermediation activities	5.d.	15 808	10 308
Other current assets	9.c.	30 534	32 475
Current tax assets		11 114	7 441
Derivative financial instruments	9.c.	15 928	10 487
Funds related to intermediation activities	5.d.	282 123	256 159
Cash and cash equivalents	9.d.	852 991	919 882
TOTAL CURRENT ASSETS		**1 832 141**	**1 841 812**
TOTAL ASSETS		**3 848 461**	**3 860 451**

EQUITY AND LIABILITIES

(in thousands of €)	Notes	June 30, 2016	Dec. 31, 2015
Share capital	11.a.	61 493	60 991
Share premium account		766 348	722 397
Other reserves		725 863	681 931
Translation differences		34 186	40 677
Equity for the period attributable to Ingenico Group SA shareholders		**1 587 890**	**1 505 996**
Non-controlling interests		**6 002**	**4 858**
TOTAL EQUITY		**1 593 892**	**1 510 854**
Non-current borrowings and long-term debt	9.b.	894 324	885 016
Provisions for retirement and benefit obligations		19 228	17 024
Other long-term provisions	8.c.	22 310	20 573
Deferred tax liabilities		143 779	142 484
Other non-current liabilities		110 060	97 691
TOTAL NON-CURRENT LIABILITIES		**1 189 701**	**1 162 788**
Short-term loans and borrowings	9.b.	190 253	286 922
Other short-term provisions	8.c.	31 917	31 190
Trade and related payables		431 619	438 579
Payables related to intermediation activities	5.d.	297 931	266 467
Other current liabilities	5.c.	95 951	134 560
Current tax liabilities		14 085	27 605
Derivative financial instruments	9.c.	3 112	1 486
TOTAL CURRENT LIABILITIES		**1 064 868**	**1 186 809**
TOTAL LIABILITIES		**2 254 569**	**2 349 597**
TOTAL EQUITY AND LIABILITIES		**3 848 461**	**3 860 451**

IV. INTERIM CONSOLIDATED CASH FLOW STATEMENT

(in thousands of €)	Notes	June 30, 2016	June 30, 2015
Profit for the period		126 693	123 564
Adjustments for:			
- Share of profit of equity-accounted investees		196	(51)
- Income tax expense/(income)		56 125	64 196
- Depreciation, amortization and provisions		44 289	44 906
- Change in fair value		(5 737)	76
- Gains/(losses) on disposal of assets		(16)	748
- Net interest costs/(revenue)		(769)	4 611
- Share-based payment expense (1)		14 602	9 365
Interest paid		(10 779)	(13 253)
Income tax paid		(75 101)	(73 214)
Cash flows from operating activities before change in net working capital		**149 503**	**160 948**
inventories		(3 119)	(23 476)
trade and other receivables		(24 845)	(40 775)
trade payables and other payables		(41 145)	(16 960)
Change in net working capital		**(69 109)**	**(81 211)**
NET CASH FLOWS FROM OPERATING ACTIVITIES		**80 394**	**79 737**
Acquisition of non-current assets		(27 336)	(27 518)
Proceeds from sale of tangible and intangible fixed assets	3	8 573	554
Disposal of subsidiaries, net of cash disposed of	3	3 246	-
Acquisition of subsidiaries, net of cash acquired	3	(8 311)	-
Loans and advances granted and other financial assets		(2 034)	(4 249)
Loan repayments received		794	640
Interest received		4 207	5 112
CASH FLOWS FROM FINANCING ACTIVITIES		**(20 861)**	**(25 461)**
Purchase/(sale) of treasury shares		106	25
Proceeds from loans and borrowings	9.b.	-	746 005
Repayment of loans and borrowings	9.b.	(94 135)	(500 743)
Change in the Group's ownership interests in controlled entities	3	574	102 654
Changes in other financial liabilities		(119)	6 431
Dividends paid to shareholders		(34 406)	(30 689)
Tax on financing activities		-	(8 260)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(127 980)**	**315 423**
Effect of exchange rates fluctuations		2 522	7 157
CHANGE IN CASH AND CASH EQUIVALENTS		**(65 925)**	**376 856**
Cash and cash equivalents at beginning of the year		899 901	411 786
Cash and cash equivalents at year end		833 976	788 642

	June 30, 2016	June 30, 2015
CASH AND CASH EQUIVALENTS		
Short-term investments and short-term deposits (only for the portion classed as cash and cash equivalents)	237 157	305 783
Cash and cash equivalents	615 834	504 447
Bank overdrafts	(19 015)	(21 588)
TOTAL CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS	**833 976**	**788 642**

Funds collected in connection with intermediation activities are not included in the cash flow statement.

(1) Share-based payment expense of €14.6 million, including €9.4 million paid in equity instruments and €5.2 million paid in cash.

V. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands of €)	Share capital	Share premium account	Translation reserve	Effective portion of hedging instruments	Treasury shares	Retained earnings and other reserves	Total equity attributable to Ingenico SA Group shareholders	Non-controlling interests	Total equity
Balance at January 1, 2015	**57 437**	**575 227**	**24 204**	**(101)**	**(7 167)**	**424 239**	**1 073 839**	**2 100**	**1 075 939**
Profit for the period						230 315	230 315	4 386	**234 701**
Other comprehensive income			23 572	(257)		4 946	28 261	(988)	**27 273**
Total comprehensive income for the period			**23 572**	**(257)**		**235 261**	**258 576**	**3 398**	**261 974**
Dividends paid to shareholders(1)						(29 283)	(29 283)	(589)	(29 872)
Stock dividends paid to shareholders: payment of dividend in shares (2)	314	29 727				(30 041)			
Treasury shares (3)					133	12	145		145
Share-based payments and exercise of stock options (4)	24	2 011				8 219	10 254		10 254
Revaluation of put options (5)						(3 627)	(3 627)		(3 627)
Dilutions (6)			(7 099)			41 157	34 058	(51)	34 007
OCEANE bond conversions (7)	3 216	115 432				(4 432)	114 216		114 216
OCEANE issue (8)						48 143	48 143		48 143
Other						(325)	(325)		(325)
Balance at Dec. 31, 2015	**60 991**	**722 397**	**40 677**	**(358)**	**(7 034)**	**689 323**	**1 505 996**	**4 858**	**1 510 854**
Profit for the period 2016						122 075	122 075	4 618	126 693
Other comprehensive income			(7 123)	(12)		(7 622)	(14 757)	(1 009)	(15 766)
Total comprehensive income for the period			**(7 123)**	**(12)**		**114 453**	**107 318**	**3 609**	**110 927**
Dividends paid to shareholders(1)						(34 476)	(34 476)		(34 476)
Stock dividends paid to shareholders (2)	502	43 951				(44 453)			
Treasury shares (3)						70	70		70
Share-based payments and exercise of stock options (4)						9 356	9 356		9 356
Remeasurement effect of put options (5)						(3 285)	(3 285)		(3 285)
Accretion (6)			632			2 994	3 626	(2 465)	1 161
Other						(715)	(715)		(715)
Balance at June 30, 2016	**61 493**	**766 348**	**34 186**	**(370)**	**(7 034)**	**733 267**	**1 587 890**	**6 002**	**1 593 892**

June 2016:

(1) Cash dividend of €1.30 per share paid on June 3, 2016.

(2) Stock dividends financed through incorporation of retained earnings into share capital and issuance of 502,641 new shares.

(3) As of June 30, 2016, the Company held 276,294 treasury shares bought back by virtue of authorizations granted at Shareholders' Meetings.

(4) Share-based payment:

The increase in retained earnings and other reserves reflects fair value adjustments to free share awards recognized each year in Profit from Operating Activities.

(5) Remeasurement of the put option owned by Fosun.

(6) Including the repurchase of 1.16% of the shares in Ingenico Asia Holding Ltd from High Champion (see Note 3, Highlights of the Period).

December 2015:

(1) Cash dividend of €1.00 per share paid on June 10, 2015.

(2) Stock dividend financed through incorporation of retained earnings into share capital and issuance of 313,580 new shares.

(3) As of December 31, 2015, the Company held 276,294 treasury shares bought back by virtue of authorizations granted at Shareholders' Meetings.

(4) Share-based payment:

- The increase in retained earnings and other reserves reflects fair value adjustments to free share awards recognized each year in Profit from Operating Activities.
- The increase in share capital and the decrease in issue and contribution premiums reflect the issuance of new shares to meet obligations to beneficiaries of free share award plans that expired in 2015.

(5) Remeasurement of the put option owned by Fosun.

(6) Including the sale to Fosun of 20% of the Group's interest in its Chinese entities.

(7) Conversion of 3,169,040 Ingenico 2011/2015 OCEANE bonds into 3,216,566 shares.

(8) Issuance of Ingenico 2015/2022 OCEANE bonds (with an equity component of €73.3 million and a deferred tax liability of €25.2 million).

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 THE GROUP

The preceding condensed interim consolidated financial statements present the operations and financial position of Ingenico Group SA (hereinafter referred to as “the Company”) and its subsidiaries, as well as the Group’s share of the profit or loss of jointly controlled entities and entities over which the Group has significant influence (together referred to as “the Group”).

Ingenico Group is the leading provider of payment solutions, offering payment solutions across all sales channels (in-store, mobile, online and cross-channel). Its offering is built around three brands: Ingenico Smart Terminals, Ingenico Payment Services and Ingenico Mobile Solutions.

Ingenico Group SA is a company incorporated under French law with its registered office in Paris, whose securities were admitted for trading on the Paris Stock Exchange in 1985.

The condensed interim consolidated financial statements were approved by the Board of Directors on July 26, 2016.

2 ACCOUNTING PRINCIPLES AND METHODS

These condensed interim consolidated financial statements were prepared in accordance with International Financial Reporting Standard IAS 34, Interim Financial Statements. They do not include all the information required for complete annual financial statements under IFRS and should be read in conjunction with the Group’s financial statements for the year ended December 31, 2015.

The condensed interim consolidated financial statements for the period from January 1, 2016 to June 30, 2016 were prepared using the same accounting principles and methods used in the consolidated financial statements for the fiscal year ended December 31, 2015, except for the first-time application of the following new standards, amendments and interpretations adopted by the European Union:

- Amendments to IAS 1, Disclosure Initiative;
- Amendments to IAS 16 and IAS 38, Clarification of Acceptable Methods of Depreciation and Amortization;
- Amendments to IFRS 11, Accounting for Acquisitions of Interests in Joint Operations;
- Annual Improvements 2012–2014;
- Amendments to IAS 27, Equity Method in Separate Financial Statements.

The adoption of these standards did not result in any significant changes in the presentation of the consolidated financial statements.

In preparing these consolidated financial statements, the Group did not apply in advance the following standards, amendments and interpretations issued by the IASB or the IFRIC (International Financial Reporting Interpretations Committee) and not yet adopted by the European Union as of June 30, 2016:

- Amendments to IAS 7 – Disclosure Initiative;
- Amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealized Losses.

Nor did the Group apply in advance the following standards, amendments and interpretations issued by the IASB or the IFRIC but not yet adopted by the European Union as of June 30, 2016:

- IFRS 9 – Financial Instruments;
- IFRS 14 – Regulatory Deferral Accounts;
- IFRS 15 – Revenue from Contracts with Customers;

- IFRS 16 – Leases;
- Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception;
- Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;
- Clarifications to IFRS 15;
- Amendments to IFRS 2 – Classification and Measurement of Share-based Payment Transactions.

Translation of financial statements

The conversion rates for the main currencies used by the Group in fiscal year 2015 and half-year periods ended June 30, 2015 and 2016 are as follows:

Closing rate	**June 30, 2016**	**Dec. 31, 2015**
US Dollar	1,1102	1,0887
Canadian dollar	1,4384	1,5116
Australian dollar	1,4929	1,4897
Pound sterling	0,8265	0,7340
Brazilian real	3,5898	4,3117
Chinese yuan	7,3755	7,0608

Average rate	**June 30, 2016**	**June 30, 2015**
US Dollar	1,1155	1,1159
Canadian dollar	1,4854	1,3772
Australian dollar	1,5221	1,4260
Pound sterling	0,7785	0,7324
Brazilian real	4,1349	3,3077
Chinese yuan	7,2937	6,9411

Estimates

In preparing these condensed interim consolidated financial statements, Group management was led to exercise a fair amount of judgment and to make assumptions and estimates affecting the application of the accounting methods and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates and assumptions.

The cases in which management exercised a significant degree of judgment in applying the accounting methods adopted by the Group in these interim condensed consolidated financial statements and the main sources of uncertainty regarding estimates are the same as those described in the consolidated financial statements for the year ended December 31, 2015.

Determination of income tax expense

Income tax expense for each interim period is recognized based on the best estimate of the weighted average annual effective income tax rate expected for the full fiscal year.

Estimate for retirement benefit obligations

In its interim financial statements, the Company estimates its retirement benefit obligations as half of the projected annual amount, calculated for the current fiscal year on the basis of actuarial valuations performed at the end of the preceding fiscal year, unless the occurrence of significant events warrants an updated estimate.

3 HIGHLIGHTS OF THE PERIOD

Acquisition of Lyudia

On April 26, 2016, the Group acquired a 70-percent interest in Lyudia, its distribution partner in Japan since 2013. Lyudia distributes and maintains Ingenico Group payment terminals in Japan and develops payment software to obtain local certifications. The Tokyo-based company has a team of thirty employees. The Lyudia acquisition will allow Ingenico Group to accelerate the pace of its payment applications certification process and represents a major step in its aim to become a significant player in the Japanese market.

Lyudia is accounted for as a consolidated subsidiary in the financial statements for the half year ended June 30, 2016, and has been included in the APAC & Middle East operating segment.

Acquisition of Think&Go

On April 7, 2016, Ingenico Group acquired Think&Go NFC, a start-up provider of connected screens. Founded in 2010, employing a staff of fifteen persons, Think&Go NFC has developed a technology that enables any kind of digital display to interact with connected objects such as smartphones and transit passes. As a result, the connected screens become a vehicle for marketing tools like drive-to-store, couponing, loyalty programs and downloads. Since 2015, Ingenico Group and Think&Go NFC have been using contactless payment technology to turn digital advertising displays into genuine points-of-sale, giving birth to Screen-Commerce. Although usable inside stores, their solutions are above all designed for high-traffic areas with digital screens such as shopping malls, train stations and airports.

Think&Go is accounted for as a consolidated subsidiary in the financial statements for the half year ended June 30, 2016, and has been included in the Central Operations operating segment.

End to the interest held by High Champion Holdings Ltd in Ingenico Holding Asia Ltd

In 2013, the Group increased the share capital of its subsidiary Ingenico Holdings Asia. High Champion Holdings Ltd, a non-controlling shareholder, had a put option on its shares, for which a liability was recognized in the Group’s financial statements. In May 2016, High Champion Holdings Ltd sold its shares to the Group. The accretive effect of the transaction has been recorded in the Group’s financial statements and the liability for the put option has been extinguished.

Disposal of Visa Europe shares

In November 2015, Visa Inc., the US company, announced its intention to buy its European counterpart Visa Europe. On June 30, 2016, Ingenico Group sold its Visa Europe equity securities to Visa Inc. The resulting €8.5 million gain has been recognized in Net Finance Costs.

Announced British withdrawal from the European Union (Brexit)

In June 2016, the announcement that the United Kingdom would be withdrawing from the European Union triggered major changes in a number of economic indicators such as interest rates, stock market prices for many British companies, the exchange rate and value of the pound sterling. In the consolidated financial statements for the half year ended June 30, 2016, Brexit primarily affects the following items:

- Translation differences (a €4.8 million loss);
- Provisions for retirement benefit obligations (a €2.4 million increase in the Group’s net obligation, with a corresponding entry in equity).

4 SEGMENT REPORTING

The criteria used to determine reportable segments are set out in Note 4, Segment reporting, of the consolidated financial statements for the year ended December 31, 2015. The information presented below is based on the management reporting used by the Executive Committee, the chief operating decision-maker as defined by IFRS 8, to evaluate the performance of the different segments.

The reportable segments at the June 30, 2016 reporting date are as follows:

- Central Operations, a division that brings together cross-functional and support services, particularly the distribution of products and services to the Regions identified below;
- e-Payments includes the entities that came out of the Ogone (now Ingenico eCommerce Solutions) and GlobalCollect acquisitions;
- Europe & Africa;
- Asia-Pacific and the Middle East;
- North America;
- Latin America.

	June 30, 2016						
(in thousands of €)	**Europe & Africa**	**APAC & Middle East**	**North America**	**Latin America**	**ePayments**	**Central Operations**	**Consolidated**
External revenue	**408 091**	**262 313**	**148 175**	**86 031**	**230 131**	**(1 321)**	**1 133 420**
Terminals							788 347
Transactions							345 073
Profit from ordinary	**32 668**	**40 007**	**10 014**	**3 533**	**8 450**	**89 691**	**184 363**

	June 30, 2015						
(in thousands of €)	**Europe & Africa**	**APAC & Middle East**	**North America**	**Latin America**	**ePayments**	**Central Operations**	**Consolidated**
External revenue	**365 804**	**210 331**	**132 200**	**119 206**	**231 162**	**(684)**	**1 058 019**
Terminals							725 228
Transactions							382 791
Profit from ordinary	**22 920**	**41 387**	**7 564**	**5 960**	**21 831**	**97 042**	**196 704**

5 OPERATING DATA

a Other operating income and expenses

Other operating income and expenses are as follows.

(in thousands of €)	June 30, 2016	June 30, 2015
Restructuring and business combination costs	(3 779)	(1 965)
Insurance reimbursement	1 571	-
Disputes	975	-
Disposal or retirement of property, plant and equipment or intangible	16	(750)
Revaluation of earn-out payables	-	(46)
Others	840	104
Total	**(377)**	**(2 657)**

In the first half of 2016, other operating income and expenses mainly comprise the following:

- A cost of €3.8 million incurred in connection with restructuring and business combinations;
- An insurance reimbursement of €1.6 million as a result of a fire at a repair center in Italy in 2015;
- A positive balance of €1.0 million on provisions and reversals of provisions for litigation.

As of June 30, 2015, other operating income and expenses mainly comprised the following:

- A cost of €2.0 million incurred in connection with restructuring and business combinations;
- A cost of €0.6 million for the retirement of property, plant and equipment as a result of a fire at a repair center in Italy.

b Inventories

(in thousands of €)	June 30, 2016	Dec. 31, 2015
Raw materials and consumables	35 409	34 442
Finished products	124 377	128 866
Write-downs on raw materials and consumables	(7 576)	(10 515)
Impairments on finished products	(6 026)	(9 168)
Carrying amount	**146 184**	**143 625**

c Other liabilities

Other liabilities are broken down as follows.

(in thousands of €)	June 30, 2016	Dec. 31, 2015
Deferred income	93 540	125 548
Other liabilities	2 411	9 012
Total	**95 951**	**134 560**

As of June 30, 2016, the decrease in deferred income is due mainly to the recognition as revenue of amounts invoiced in 2015 by the subsidiary Fujian Landi Commercial Equipment Co Ltd.

On the December 31, 2015 reporting date, other liabilities included High Champion's put option on its Ingenico Holding Asia Ltd shares (see Note 3, Highlights of the Period). That liability is extinguished as of June 30, 2016.

d Funds, receivables and payables related to intermediation activities

The principles governing receivables, funds and payables related to intermediation activities are set forth in Note 5 Operating data, to the Group's consolidated financial statements for the year ended December 31, 2015.

(in thousands of €)	**June 30, 2016**	**Dec. 31, 2015**
Receivables related to intermediation activities	15 808	10 308
Funds related to intermediation activities	282 123	256 159
TOTAL ASSETS	**297 931**	**266 467**
Payables related to intermediation activities	297 931	266 467
TOTAL LIABILITIES	**297 931**	**266 467**

e Reconciliation between cash flow statement and free cash-flow

(in thousands of €)	June 30, 2016 Cash-flow statement	 Free cash-flow	 Items from CF statement not in FCF
Profit for the period	126 693	126 693	-
Adjustments for:			
- Share of profit of equity-accounted investees	196	196	-
- Income tax expense/(income)	56 125	56 125	-
- Depreciation, amortization and provisions	44 289	44 289	-
- Change in fair value	(5 737)	824	(6 561)
- Gains/(losses) on disposal of assets	(16)	(16)	-
- Net interest costs/(revenue)	(769)	(769)	-
- Share-based payment expense	14 602	14 602	-
EBITDA + cash items of other operating income and expenses		**241 944**	
Interest paid	(10 779)	(10 779)	-
Income tax paid	(75 101)	(75 101)	-
Cash flows from operating activities before change in net working capital	**149 503**	**156 064**	**(6 561)**
inventories	(3 119)	(3 119)	-
trade and other receivables	(24 845)	(24 845)	-
trade payables and other payables	(41 145)	(41 145)	-
Change in net working capital	**(69 109)**	**(69 109)**	**-**
NET CASH FLOWS FROM OPERATING ACTIVITIES	**80 394**	**86 955**	**(6 561)**
Acquisition of non-current assets	(27 336)	(27 336)	-
Proceeds from sale of tangible and intangible fixed assets	8 573	63	8 510
Disposal of subsidiaries, net of cash disposed of	3 246	-	3 246
Acquisition of subsidiaries, net of cash acquired	(8 311)	-	(8 311)
Loans and advances granted and other financial assets	(2 034)	-	(2 034)
Loan repayments received	794	-	794
Interest received	4 207	4 207	-
CASH FLOWS FROM FINANCING ACTIVITIES	**(20 861)**	**(23 066)**	**2 205**
Purchase/(sale) of treasury shares	106	-	106
Repayment of loans and borrowings	(94 135)	-	(94 135)
Change in the Group's ownership interests in controlled entities	574	-	574
Changes in other financial liabilities	(119)	-	(119)
Dividends paid to shareholders	(34 406)	-	(34 406)
NET CASH FLOWS FROM FINANCING ACTIVITIES	**(127 980)**	**-**	**(127 980)**
Effect of exchange rates fluctuations	2 522	-	2 522
CHANGE IN CASH AND CASH EQUIVALENTS	**(65 925)**	**63 889**	**(129 814)**

6 EMPLOYEE BENEFITS AND EXECUTIVE COMPENSATION (RELATED PARTIES)

a Related party transactions

Total compensation and benefits paid to the Executive Committee in the first half of 2016 and the first half of 2015 break down as follows.

(in thousands of €)	**June 30, 2016**	**June 30, 2015**
Total compensation and benefits	5 691	8 077
Free share awards	1 522	874
Total	**7 213**	**8 951**

The Executive Committee is chaired by the Chairman and Chief Executive Officer. Its role is to set Group strategy, create the conditions for implementation of that strategy and ensure that objectives are met.

As of June 30, 2016, the Executive Committee had 11 members, down from 15 members as of June 30, 2015, which explains why total compensation has decreased.

b Share-based payment plan

Free share awards

The free shares outstanding as of June 30, 2016 that had been awarded under previous plans were as follows:

- 27,800 shares under the plan set up on October 29, 2014;
- 188,300 shares under the plan set up on July 29, 2015.

Joint investment plan

No new joint investment plan was set up in the first half of 2016.

As of June 30, 2016, 179,210 shares awarded under the joint investment plan of October 29, 2014 were outstanding.

Other share-based payment arrangements

The Group may elect to award some of its employees share appreciation rights indexed to the share price of Ingenico Group SA or to that of other Group entities, and settled in cash.

These share appreciation rights are measured at fair value. The fair value of the amounts to be paid is recognized over the vesting period as an expense in profit from operating activities, with a corresponding entry in other non-current liabilities. This liability is remeasured at fair value in profit from operating activities until it has been settled.

Impact on financial statements

On the basis of the parameters used to calculate the fair value of share-based payment arrangements, Ingenico Group recognized an expense of €14.6 million in profit from ordinary activities for the first half of 2016.

7 GOODWILL

(in thousands of €)	June 30, 2016	Dec. 31, 2015
At January 1 (net value)	**1 350 519**	**1 342 759**
Investments	10 419	-
Translation differences	(3 145)	7 586
Adjustments	-	174
At closing (net value)	**1 357 793**	**1 350 519**

Investments during the period

As described in Note 3, Highlights of the Period, Ingenico Group acquired two companies in April 2016: Think&Go NFC in France and Lyudia in Japan. As a result of these acquisitions, a €10.4 million increase in goodwill was recognized in the financial statements for the half year ended June 30, 2016. The first of the two has been included in the Central Operations CGU, the second in the APAC & Middle East CGU.

The Group made no acquisitions in 2015.

Impairment of intangible assets

As of the June 30, 2016 reporting date, there was no indication of the need to conduct impairment tests on goodwill and the other intangible assets and liabilities in the CGUs that make up the Group.

	June 30, 2016			Dec. 31, 2015		
Cash generating units (in thousands of €)	**Gross amount**	**Total impairment losses**	**Net carrying amount**	**Gross amount**	**Total impairment losses**	**Net carrying amount**
APAC & Middle East	90 132	-	90 132	83 027	-	83 027
North America	70 167	(21 392)	48 775	70 768	(21 392)	49 376
Latin America	4 296	-	4 296	3 577	-	3 577
Europe & Africa	245 352	(1 484)	243 868	246 704	(2 402)	244 302
ePayments	798 782	-	798 782	798 782	-	798 782
Central Operations	171 940	-	171 940	171 455	-	171 455
Total	**1 380 669**	**(22 876)**	**1 357 793**	**1 374 313**	**(23 794)**	**1 350 519**

8 OTHER PROVISIONS

(in thousands of €)	Balance at January 1, 2016	Translation differences	Changes in consolidation scope	Additions	Reversals of amounts used	Reversal of unused amounts	Other movements	Balance at June 30, 2016
Provisions for warranties	20 031	(272)	-	8 564	(8 126)	-	1	20 198
Provisions for litigation and claims	9 810	48	-	1 641	(111)	(2 580)	(3)	8 805
Other provisions	21 922	201	100	6 973	(2 581)	(1 396)	5	25 224
Total other provisions	**51 763**	**(23)**	**100**	**17 178**	**(10 818)**	**(3 976)**	**3**	**54 227**

a Warranties

The sale of terminals is usually accompanied by a 12-month warranty. The provision for warranties on the balance sheet reflects the estimated cost to the Group of meeting its terminal repair obligations. This statistical calculation is based on historical data. An increase in provisions for warranties may therefore stem from one of two causes:

- Growth in sales accompanied by warranties; or
- An adjustment to the way the provision is calculated.

b Litigation and claims

Ingenico Group is engaged in a number of claims and arbitration proceedings arising in connection with its business.

Commercial disputes

Commercial disputes are regularly reviewed by the Legal Department and are covered by provisions if the Group considers that it is probable that an outflow of economic benefits will be necessary to cover the risk incurred and that such an outflow can be reliably estimated. Reversals of unused amounts chiefly reflect the resolution of disputes that were settled in the Group's favor, or in which the amount of the damages awarded proved to be lower than originally estimated.

Tax disputes

During fiscal year 2016 and prior years, Group companies were subject to tax audits and occasionally proposals for adjustments. Provisions are recognized to cover the amounts of any such tax adjustments and other taxes notified to and accepted by the Group or for which the Group considers it probable that an outflow of economic benefits will be necessary and that such an outflow can be reliably estimated.

The Group periodically reviews the assessment of this risk as audits or litigation progress, and is of the opinion that there are no ongoing audits that will have a material impact on its financial position or liquidity.

Tax disputes in Brazil

The tax assessment procedures in respect of a Brazilian subsidiary are still in progress. They relate to the ICMS tax, where the amount in question was approximately €67 million as of June 30, 2016 (covering principal, interest and penalties from 2004 to 2009). The "Tax War" currently pitting Brazilian States against each other may affect Ingenico Group as well as a large number of foreign and domestic companies. Against this background, the tax authorities of the State of Sao Paulo have contested the deduction by Ingenico do Brasil of a portion of the ICMS tax on the sales invoices of a supplier, on the grounds that the State of Minas Gerais, in which the supplier operates, had granted the supplier a tax concession that violates federal law. All notified ICMS-related assessments are still being contested in the administrative courts in Brazil. As of June 30, 2016, Ingenico Group had not been notified of any final decision by the Brazilian administrative courts and consequently had not received any demand for payment. In addition, the subsidiary believes, on the advice of tax experts, that it has serious grounds for contesting the claims of the authorities. Based on an analysis of the risks involved and on the criteria set out in IAS 37, no provision has been recognized in the consolidated financial statements as of June 30, 2016.

c Other provisions

Other provisions include provisions for expenses incurred in the course of business (commitments made to suppliers to purchase inventories, customer quality risks, customers' sales indemnities and other).

9 FINANCING AND FINANCIAL INSTRUMENTS

a Net finance costs

(in thousands of €)	June 30, 2016	June 30, 2015
Interest expense on financial liabilities at amortized cost and bond loans	(10 063)	(9 194)
Interest expense on finance lease contracts	(108)	(88)
Total interest expense	**(10 171)**	**(9 282)**
Interest income from long term loans	127	107
Income from cash and cash equivalents	1 898	2 979
Interest income on finance lease contracts	2 374	2 154
Net interest expense	**(5 772)**	**(4 042)**
Foreign exchange gains	31 568	54 432
Foreign exchange losses	(34 253)	(56 616)
Foreign exchange gains and losses, net	**(2 685)**	**(2 184)**
Financial component of retirement expenses and other post-employment benefits	(152)	(145)
Other financial income	8 575	105
Other financial income and expenses, net	(938)	(72)
Other financial income and expenses, net	**7 485**	**(112)**
Net finance costs	**(972)**	**(6 338)**
Total financial income	**44 542**	**59 777**
Total financial expenses	**(45 514)**	**(66 115)**

The Group's interest expense on borrowings is related to the borrowings described in Section 9b below.

- Interest expense of €5.1 million on the OCEANE convertible bond;
- Interest expense of €4.0 million on the straight bond and on the swap on that bond;
- Interest expense of €0.8 million on bank borrowings;
- Interest expense on commercial paper is not material.

The €2.7 million net foreign exchange loss is the result of gains and losses on remeasurement of loans and borrowings as well as on remeasurement of the related hedging instruments. It also includes the ineffective portion of operational hedges.

Other financial income and expenses comprised factoring expenses, post-employment benefit obligations and a gain on the sale of Visa Europe securities.

In the first half of 2015, the €9.3 million in interest expense was related primarily to the borrowings described in Note 9b, Net Debt.

Interest income on finance lease contracts (where Ingenico Group is the lessor) mainly involved Ingenico Payment Services GmbH, Ingenico Group SA and Ingenico Italia Spa.

Ingenico Group posted a net foreign exchange loss of €2.2 million for the period. This was the result of gains and losses on remeasurement of loans and borrowings as well as on remeasurement of the related hedging instruments. It also includes the ineffective portion of operational hedges.

b Net debt

(in thousands of €)	June 30, 2016	Dec. 31, 2015	June 30, 2015
"OCEANE" convertible bond issue	432 049	427 757	422 782
Bond issue	460 901	456 773	453 950
Bank and similar borrowings	(1 536)	(3 008)	75 883
Finance lease obligations	193	520	489
Other financial liabilities	2 717	2 974	3 135
Non-current borrowings and long-term debt	**894 324**	**885 016**	**956 239**
Bank and similar borrowings	263	-	20 000
Commercial papers	168 000	259 500	250 000
Finance lease obligations	638	679	652
Bank overdrafts	19 015	19 980	21 588
Other financial liabilities	1 361	1 279	1 422
Interest accrued but not due	976	5 484	1 003
Short-term loans and borrowings	**190 253**	**286 922**	**294 665**
Total financial borrowings and debt	**1 084 577**	**1 171 938**	**1 250 904**
Cash	615 834	624 801	504 447
Marketable securities and short-term deposits	237 157	295 081	305 783
Cash and cash equivalents	**852 991**	**919 882**	**810 230**
Net debt	**231 586**	**252 056**	**440 674**

As of June 30, 2016, long- and short-term bank borrowings and bond debt amounted to €1,084.6 million, including:

- €432.0 million in respect of an OCEANE convertible bond issued on June 26, 2015;
- €460.9 million in respect of a straight bond issued in May 2014;
- €168.0 million in respect of commercial paper;
- €19.0 million in bank overdrafts;
- A negative amount of €2.6 million that corresponds to the unamortized capitalized interest on the €500 million syndicated credit facility, which was undrawn at the reporting date;
- Other financial debts for €1.1 million;
- €1.0 million in interest accrued but not due, primarily on the bond issued in 2014.

As of December 31, 2015, long- and short-term bank borrowings and bond debt amounted to €1,171.9 million, including €427.8 million in respect of the OCEANE convertible bond, €456.8 million in respect of the straight bond, €259.5 million in respect of commercial paper, a negative €3.0 million amount that corresponded to the unamortized capitalized interest on the €500 million syndicated credit facility, which was undrawn at the reporting date, and €5.5 million in interest accrued but not due, primarily on the bond issued in 2014.

Convertible bond issue

On June 26, 2015, the Group issued an OCEANE bond, i.e., convertible into and/or exchangeable for new or existing Ingenico Group shares, maturing on June 26, 2022 (ISIN: FR0012817542). The total principal amount of the issue is €500 million, or 2,904,443 bonds with a face value of €172.15 each.

The OCEANE bond is classified as a compound financial instrument and therefore falls within the scope of IAS 32, which requires separate presentation on the issuer's balance sheet of the instrument's equity component (the holder's option to convert the instrument into an equity instrument of the entity) and liability component (the contractual arrangement to deliver cash).

The fair values of the OCEANE bond's liability and equity components were calculated on the issue date, which was June 26, 2015.

The fair value of the recognized liability classified as long-term debt is calculated using the average market rate for a straight bond. The difference between the face value and the fair value of the bond is recognized in equity under retained earnings and other reserves, net of deferred tax.

The OCEANE was issued with a nominal interest rate of 0 percent. As of the issue date, the average market rate for a straight bond with the same term was 2.31 percent. At that time, the fair value of the OCEANE's liability component was €422.7 million and that of its equity component was €73.3 million, after deduction of the cost of the issuer's call option and issuance costs (€4.1 million, prorated between the liability and equity components).

After deduction of issuance costs and reclassification of the equity component of the bonds, the effective interest rate is 2.41 percent.

Bond issue

On May 20, 2014, Ingenico Group issued bonds that mature on May 20, 2021. The total principal amount of the issue is €450 million, or 4,500 bonds with a face value of €100,000 each. The bonds pay an annual coupon of 2.5 percent. The Group's liability is measured at amortized cost, with bond issuance costs amortized in profit or loss over the life of the bond.

The bond issue was accompanied by an information memorandum approved by the Autorité des Marchés Financiers under visa number 14-210 on May 16, 2014.

Bank borrowings

In July 2014, Ingenico Group took out a syndicated revolving credit facility combined with a syndicated loan in a total amount of €600 million, which was used primarily to acquire GlobalCollect and which was broken down as follows:

- A €500 million revolving tranche with an initial term of 5 years that is renewable; it was undrawn as of end-December 2015 and end-June 2016;
- A €100 million syndicated loan repayable over 5 years, which was repaid ahead of schedule in July 2015.

The two facilities bear interest at the Euribor rate.

The syndicated credit contracted in 2014 includes a covenant requiring the Group to satisfy certain financial ratios which are subject to annual review on the basis of pro forma consolidated financial statements. At every reporting date, net debt must be less than 3 times EBITDA.

There are also a number of standard legal covenants.

Those ratios had been met as of June 30, 2016.

Early redemption is possible at the initiative of Ingenico Group, or of the lenders in certain usual circumstances.

Bank overdrafts

Bank overdrafts totaled €19.0 million, with Ingenico Payment Services GmbH accounting for €17.9 million of the total.

c Derivative financial instruments

Fair value of derivative financial instruments at the reporting date

(in thousands of €)	June 30, 2016	Dec. 31, 2015
Interest rate derivative instruments		
Current assets	14 480	9 225
Current liabilities	-	(496)
Foreign exchange derivative instruments		
Current assets	1 448	1 262
Current liabilities	(3 112)	(990)
Total	**12 816**	**9 001**

As of June 30, 2016, the Group's exchange rate hedging instruments consisted of forward exchange contracts, swaps and options.

Changes in the fair value of ineffective hedging instruments or the ineffective portions of effective hedging instruments are directly recognized in Net Finance Costs. For foreign exchange hedges, they mainly reflect the effect of interest rate differentials between the currency of the hedged items and the euro.

In 2014, the Group put in place an interest rate swap, equal to 50 percent of the principal amount of the bond issued in 2014, or €225 million, with a 7-year life. It converts part of the Group's fixed-rate exposure into variable-rate exposure. This hedge is accounted for as a fair-value hedge, since any changes in the fair value of the derivative are recognized in profit or loss, as are any changes in the fair value of the underlying liability.

d Financial assets and liabilities classified by accounting category

Asset and liability categories (in thousands of €)	June 30, 2016						
	Assets/liabilities measured at fair value through profit or loss	Loans and receivables	Liabilities at amortiz ed cost	Assets & liabilities measured at fair value through equity	Derivative financial instruments designated for future cash flow hedges	Total net carrying amount	Fair value of the asset or liability category
Financial assets	-	7 389	-	4 709	-	12 098	12 098
Trade and other current receivables	-	470 431	-	-	-	470 431	470 431
Derivative financial instruments	15 401	-	-	-	527	15 928	15 928
Receivables related to intermediation activities	-	15 808	-	-	-	15 808	15 808
Other non-current assets	-	26 135	-	-	-	26 135	26 135
Funds related to intermediation activities	282 123	-	-	-	-	282 123	282 123
Cash and cash equivalents	852 991	-	-	-	-	852 991	852 991
Total financial assets	**1 150 515**	**519 763**	**-**	**4 709**	**527**	**1 675 514**	**1 675 514**
Convertible bond issue (OCEANE) (1)	-	-	432 049	-	-	432 049	506 332
Bond issue	-	-	460 901	-	-	460 901	470 115
Long-term loans	-	-	1 374	-	-	1 374	1 374
Other non-current liabilities	-	-	31 881	64 453	-	96 334	96 334
Short-term borrowings	-	-	190 253	-	-	190 253	190 253
Trade payables and other current liabilities	-	-	413 139	-	-	413 139	413 139
Payables related to intermediation activities	-	-	297 931	-	-	297 931	297 931
Derivative financial instruments	2 333	-	-	-	779	3 112	3 112
Total financial liabilities	**2 333**	**-**	**1 827 528**	**64 453**	**779**	**1 895 093**	**1 978 590**

(1) The fair value of the OCEANE convertible bond encompasses both its liability component and its equity component.

Asset and liability categories (in thousands of €)	Dec. 31, 2015 Assets/liabilities measured at fair value through profit or loss	Loans and receivables	Liabilities at amortized cost	Assets & liabilities measured at fair value through equity	Derivative financial instruments designated for future cash flow hedges	Total net carrying amount	Fair value of the asset or liability category
Financial assets	-	7 154	-	4 096	-	11 250	11 250
Trade and other current receivables	-	442 253	-	7 983	-	450 236	450 236
Derivative financial instruments	10 198	-	-	-	289	10 487	10 487
Receivables related to intermediation activities	-	10 308	-	-	-	10 308	10 308
Other non-current assets	-	27 143	-	-	-	27 143	27 143
Funds related to intermediation activities	256 159	-	-	-	-	256 159	256 159
Cash and cash equivalents	919 882	-	-	-	-	919 882	919 882
Total financial assets	**1 186 239**	**486 858**	**-**	**12 079**	**289**	**1 685 465**	**1 685 465**
Convertible bond issue (OCEANE) (1)	-	-	427 757	-	-	427 757	541 853
Bond issue	-	-	456 773	-	-	456 773	453 825
Long-term loans	-	-	486	-	-	486	486
Other non-current liabilities	-	-	28 449	58 726	-	87 175	87 175
Short-term borrowings	-	-	286 922	-	-	286 922	286 922
Trade payables and other current liabilities	-	-	436 080	6 764	-	442 844	442 844
Payables related to intermediation activities	-	-	266 467	-	-	266 467	266 467
Derivative financial instruments	779	-	-	-	707	1 486	1 486
Total financial liabilities	**779**	**-**	**1 902 934**	**65 490**	**707**	**1 969 910**	**2 081 058**

(1) The fair value of the OCEANE convertible bond encompasses both its liability component and its equity component.

The fair value of the straight and convertible bonds is equal to the product of the number of bonds outstanding times their quoted prices on closing date.

Fair value hierarchy

The objective criteria used for analyzing financial instruments by valuation method are based on the definition of fair value levels under IFRS 13.

Financial instruments carried at fair value subsequent to their recognition are:

- Assets and liabilities measured at fair value through profit or loss and equity;
- Available-for-sale assets;
- Derivative financial instruments designated as cash-flow hedges.

The fair value hierarchy is as follows:

- Inputs used are (non-adjusted) quoted market prices in active markets for identical assets or liabilities (Level 1);
- Inputs used are inputs other than quoted market prices, as in Level 1, that are observable either directly, by reference to prices for similar assets and liabilities quoted in active markets, or indirectly, by reference to inputs derived from quoted markets prices (Level 2);
- Valuation techniques based on non-observable inputs are used (Level 3).

These assets and liabilities can correspond to any of the three levels of fair value set out below for 2016 and 2015.

The Company did not make any transfers between levels from 2015 to 2016.

	June 30, 2016			
(in thousands of €)	Total	Level 1	Level 2	Level 3
Financial assets	12 098	-	7 389	4 709
Derivative financial instruments (1)	15 928	-	15 928	-
Funds related to intermediation activities	282 123	282 123	-	-
Cash and cash equivalents	852 991	852 991	-	-
Total financial assets	**1 163 140**	**1 135 114**	**23 317**	**4 709**
OCEANE bonds	506 332	506 332	-	-
Bond issue	470 115	470 115	-	-
Long-term loans	1 374	-	1 374	-
Other non-current liabilities	64 453	-	-	64 453
Short-term borrowings	190 253	-	190 253	-
Other current liabilities	-	-	-	-
Derivative financial instruments (1)	3 112	-	3 112	-
Total financial liabilities	**1 235 639**	**976 447**	**194 739**	**64 453**

(1) Derivative financial instruments are assets and liabilities measured at fair value through profit or loss or qualifying cash flow hedges.

Financial assets and liabilities on Level 2 are accounted for by category: derivative financial instruments are measured at fair value, borrowings at amortized cost and all other assets and liabilities at contract value.

Other Level 3 current liabilities include those pertaining to put options owned by:

- Fosun, which has a non-controlling interest in Ingenico Holding Asia Ltd;
- The non-controlling shareholder in Lyudia, an entity in which the Group acquired a 70-percent interest in 2016 (see Note 3, Highlights of the Period);
- A non-controlling shareholder in Think&Go.

(in thousands of €)	Dec. 31, 2015 Total	Level 1	Level 2	Level 3
Financial assets	11 250	-	7 154	4 096
Other current assets	7 983	-	-	7 983
Derivative financial instruments (1)	10 487	-	10 487	-
Funds related to intermediation activities	256 159	256 159	-	-
Cash and cash equivalents	919 882	919 882	-	-
Total financial assets	**1 205 761**	**1 176 041**	**17 641**	**12 079**
OCEANE bonds	541 853	541 853	-	-
Bond issue	453 825	453 825	-	-
Long-term loans	486	-	486	-
Other non-current liabilities	58 726	-	-	58 726
Short-term borrowings	286 922	-	286 922	-
Other current liabilities	6 764	-	-	6 764
Derivative financial instruments (1)	1 486	-	1 486	-
Total financial liabilities	**1 350 062**	**995 678**	**288 894**	**65 490**

[1] Derivative financial instruments are assets and liabilities measured at fair value through profit or loss or qualifying cash flow hedges.

In 2015, other Level 3 current assets included the valuation of Visa Europe shares held by the Group (see Note 3, Highlights of the Period). That holding was disposed of on June 30, 2016.

In 2015, other non-current liabilities on Level 3 included a liability in relation to the put option owned by High Champion, a non-controlling shareholder of Ingenico Holding Asia Ltd. That liability is extinguished as of June 30, 2016 (see Note 3, Highlights of the Period).

10 INCOME TAX

(in thousands of €)	June 30, 2016	June 30, 2015
Net income (excl. share of profits in equity-accounted investees)	**126 889**	**123 513**
Income tax expense	**(56 125)**	**(64 196)**
Profit before income tax (excl. share of profits in equity-accounted investees)	**183 014**	**187 709**
Effective tax rate	**30,7%**	**34,2%**

Income tax expense for the half year ended June 30, 2016 has been estimated based on the information known to or anticipated by the Group at the reporting date, using the rate expected to be incurred in the full year. This method allows for more accurate estimates of income tax expense for half-year periods.

For the first half of 2016, the ratio of income tax expense to profit before tax was 30.7 percent, which is the effective tax rate, down from 34.2 percent for the half year ended June 30, 2015. This decrease in the projected tax rate is in large part attributable to a reduction in France's corporate tax rate from 38 percent in 2015 to 34.43 percent in 2016.

Furthermore, because a number of foreign subsidiaries were taxed at a lower rate than the parent company, the overall impact was to reduce the effective tax rate.

At the same time, classification of the CVAE as a current tax liability and the withholding taxes on dividends paid by Group subsidiaries have increased the effective tax rate.

The favorable ratio of income tax expense for the first half of 2015 to profit before tax, i.e., 34.2 percent, reflected foreign subsidiaries taxed at a lower rate than the parent company.

At the same time, classification of the CVAE as a current tax liability and non-recognition of a number of tax losses increased the effective tax rate.

11 SHARE CAPITAL OF THE PARENT COMPANY

Number of outstanding shares

	June 30, 2016	Dec. 31, 2015
Issued on January 1	**60 990 600**	**57 436 781**
Shares issued in connection with dividend distributions (1)	502 641	313 580
Shares issued in connection with the conversion of OCEANE bonds into shares (2)	-	3 216 566
Shares issued in connection with a capital increase reserved for employees	-	23 673
Shares issued at the end of the period	**61 493 241**	**60 990 600**
Treasury shares at the end of the period	276 294	276 294
Shares outstanding at the end of the period	**61 216 947**	**60 714 306**

(1) See V. Consolidated statements of changes in equity.
(2) Conversion of 3,169,040 OCEANE 2011-2015 bonds.

As of June 30, 2016, Ingenico Group SA's authorized share capital consisted of 61,493,241 shares with a par value of €1 each.

Treasury shares

(in €)	January 1, 2016	Acquisitions	Divestitures	June 30, 2016
Number of securities	276 294	526 310	(526 310)	276 294
Average purchase price	25,46	97,33	97,33	25,46
Total	**7 034 657**	**51 225 523**	**(51 225 523)**	**7 034 657**

Shares repurchased to be awarded or retired

The portfolio of treasury shares held to be awarded under free share award plans or to reduce the share capital totaled 276,294 shares as of December 31, 2015.

The portfolio likewise totaled 276,294 shares as of June 30, 2016.

Shares repurchased under the liquidity contract

Ingenico Group held no shares under its liquidity contract as of December 31, 2015. During the first half of 2016, the Group repurchased 526,310 shares and sold the same number of shares. The portfolio accordingly contained no shares as of June 30, 2016.

12 OFF-BALANCE SHEET COMMITMENTS

As of June 30, 2016, the Group's off-balance sheet commitments are of the same nature as on the December 31, 2015 reporting date.

13 MAIN CONSOLIDATED ENTITIES

Parent Company	Country	% interest	Consolidated method
INGENICO GROUP SA	France	Mother company	
Consolidated subsidiaries			
DI Deutsche Ingenico Holding GmbH	Germany	100%	FC
Ingenico e-Commerce Solutions GmbH	Germany	100%	FC
Ingenico GmbH	Germany	100%	FC
Ingenico Healthcare GmbH	Germany	100%	FC
Ingenico Marketing Solutions GmbH	Germany	100%	FC
Ingenico Payment Services GmbH	Germany	100%	FC
Ingenico International (Pacific) Pty Ltd	Australia	100%	FC
Ingenico e-Commerce Solutions SPRL	Belgium	100%	FC
Ingenico Financial Solutions SA	Belgium	100%	FC
Ingenico do Brasil Ltda.	Brazil	100%	FC
Ingenico Canada Ltd.	Canada	100%	FC
Fujian Landi Commercial Equipment Co., Ltd.	China	80%	FC
Ingenico Electronic Equipments (Beijing) Co., Ltd.	China	80%	FC
Ingenico Colombia Ltda.	Colombia	100%	FC
Ingenico Iberia, S.L.	Spain	100%	FC
Ingenico (Latin America) Inc.	United States	100%	FC
Ingenico Corp.	United States	100%	FC
Roam Data Inc.	United States	100%	FC
Ingenico Business Support SAS	France	100%	FC
Ingenico Connected Screens SAS	France	80%	FC
Ingenico e-Commerce Solutions SAS	France	100%	FC
Ingenico France SAS	France	100%	FC
Ingenico Prepaid Services France SAS	France	100%	FC
Ingenico Terminals SAS	France	100%	FC
Think & Go NFC SAS	France	80%	FC
Ingenico (UK) Ltd.	United Kingdom	100%	FC
Ingenico e-Commerce Solutions Ltd.	United Kingdom	100%	FC
Ingenico Holdings Asia Limited	Hong Kong	80%	FC
Ingenico Hungary Kft.	Hongary	100%	FC
Ingenico International India Pvt Ltd.	India	100%	FC
E-Billing Solutions Pvt Ltd.	India	100%	FC
PT. Ingenico International Indonesia	Indonesia	100%	FC
Ingenico Italia SpA	Italy	100%	FC

Consolidated subsidiaries	Country	% interest	Consolidation method
Lyudia Inc.	Japan	70%	FC
Ingenico Mexico S.A. de C.V.	Mexico	100%	FC
Ingenico Payment Systems Africa SARLAU	Morocco	100%	FC
GCS Holding BV	Netherlands	100%	FC
Global Collect BV	Netherlands	100%	FC
Ingenico e-Commerce Solutions BV	Netherlands	100%	FC
Ingenico Philippines Corp.	Philippines	100%	FC
Ingenico Polska Sp. z o.o	Poland	100%	FC
Ingenico CZ S.r.o.	Czech Republic	100%	FC
Ingenico LLC	Russia	100%	FC
Ingenico International (Singapore) Pte Ltd.	Singapore	100%	FC
Ingenico (Suisse) SA	Switzerland	100%	FC
Ingenico e-Commerce Solutions GmbH	Switzerland	100%	FC
Ingenico International (Thailand) Co., Ltd.	Thailand	100%	FC
Ingenico Ödeme Sistem Çözümleri AS	Turkey	100%	FC
FIXED & MOBILE Pte Ltd.	Singapore	27%	EM

FC : Full Consolidation

EM : Equity Method

14 SUBSEQUENT EVENTS

Acquisition of Nera Payment Solutions

On May 19, 2016, Ingenico Group announced the acquisition of Nera Payment Solutions Pte. Ltd, a subsidiary of Nera Telecommunications Ltd, for 88 million Singapore dollars.

Under the deal, the Group will be acquiring the Payment Solutions business of Nera Telecommunications, which generates 47 million Singapore dollars in revenue a year and has a workforce of over 250. Nera Telecommunications Ltd is one of Southeast Asia's top companies in payment software development and payment terminal distribution and servicing, with market leadership in Thailand and a substantial share of the market in Singapore, Indonesia, the Philippines, Malaysia and Vietnam.

By acquiring Nera Payment Solutions, Ingenico Group will enhance its payment applications portfolio and will be able to leverage Nera's existing distribution and services network (call centers, field services), thus allowing the Group to deploy its entire product range more effectively in Southeast Asia and generate sizable distribution synergies.

Completion is expected to take place during the third quarter of 2016.

2/ Half-year management report

The consolidated financial statements have been drawn up in accordance with International Financial Reporting Standards (IFRS). In order to provide meaningful comparable information, these data have been presented on an adjusted basis, i.e. restated to reflect the depreciation and amortization expenses arising on the acquisition of new entities. Pursuant to IFRS3R, the purchase price for new entities is allocated to the identifiable assets acquired and subsequently amortized over specified periods.
The main financial data for 2015 has been analyzed on an adjusted basis, i.e., before purchase price allocation (PPA).
EBITDA is not an accounting term; it is a financial metric defined here as profit from ordinary activities before depreciation, amortization and provisions, and before expenses for shares distributed to employees and officers.
EBIT (Earnings Before Interest and Taxes) is equal to profit from ordinary activities, adjusted for amortization of the purchase price for newly acquired entities allocated to the identifiable assets acquired.
Free cash flow is equal to EBITDA less: cash and other operating income and expenses, changes in working capital requirements, investing activities net of disposals, financial expenses net of financial income, and tax paid (Note 5e in the exhibit of interim financial statements)

Key figures

(in millions of euros)	**H1'16**	H1'15
Revenue	**1,133**	1,058
Adjusted gross profit	**490**	474
As a % of revenue	***43.2%***	44.8%
Adjusted operating expenses	**(284)**	(253)
Profit from ordinary activities, adjusted (EBIT)	**206**	221
As a % of revenue	***18.1%***	20.9%
Operating margin	**184**	194
Net profit	**127**	124
Net profit attributable to Group shareholders	**122**	122
EBITDA	**244**	249
As a % of revenue	***21.5%***	23.6%
Free cash-flow	**64**	59
Net debt	**232**	441
Net debt-to-EBITDA ratio[1]	**0.5x**	0.9x
Equity attributable to Group shareholders	**1,588**	1,395

[1] *Year-on-year.*

2.1 Financial data

+12% revenue organic growth

	H1 2016			Q2 2016		
	€m	% change		€m	% change	
		Comparable[2]	Reported		Comparable[2]	Reported
Europe-Africa	**408**	15%	11%	215	13%	9%
APAC & Middle East	**262**	32%	25%	133	29%	20%
Latin America	**86**	-14%	-28%	41	-27%	-37%
North America	**148**	14%	12%	74	11%	7%
ePayments	**230**	1%	-1%	119	4%	1%
Total	**1,133**	12%	7%	581	9%	4%

Performance in the first half

In the first half of 2016, revenue totaled €1.133 billion, representing a 7% increase on a reported basis, including a negative foreign exchange impact of €50 million. Total revenue included €788 million generated by the Payment Terminals business and €345 million generated by Payment Services.

On a comparable basis,[2] revenue growth was 12% higher than in the first half of 2015, a result that included a 15% increase in Terminals and a 5% increase in Payment Services.

A key feature of the first half of 2016 was a very high volume of business in **Europe,** demonstrating the Group's ability to leverage regulatory change in mature markets. In **Asia-Pacific,** the Group further increased its share of the market, with vigorous growth in Turkey, Australia and China. In contrast, Brazil's unfavorable economy heavily affected business volume in **Latin America.** In **North America,** revenue growth was driven by the Group's increasing market share at large-scale retail chains. Investment in the Group's **ePayments** division over the last few months has started to pay off, as reflected in the strong sales momentum of the first half.

Gross profit up 3%

Adjusted gross profit in the first half of 2016 was €490 million, equal to 43.2% of revenue.

At 46.7% of revenue, gross margin remained high in the Terminals business, but was 110 basis points lower than in the prior-year period, due to a less favorable product mix.

Gross margin in the Payment Services business fell 290 basis points to 35.3% of revenue. That result was primarily attributable to a changing customer mix and to rising expenditure to enhance performance on the ePayments division's platforms.

Adjusted operating expenses up to 25% of revenue
Reported operating expenses stood at €272 million in the first half of 2015 compared with €203 million in H1 2014 and represented 25.6% of revenue.

(in millions of euros)	H1'15 reported	**H1'16 reported**	Restatement related to amortization	H1'16 adjusted
Sales & Marketing	100	**99**	(15)	84
Research & Development	70	**87**	(-)	87
General & Administrative	102	**113**	-	113
Total operating expenses	272	**299**	(15)	284
As a % of revenue	25.5%	**26.4%**		25.1%

After accounting for Purchase Price Allocation expenses of €15 million, adjusted operating expenses increased by 12% to €284 million. As announced at the start of the year, the Group has stepped up expenditure, both in its Terminals business to launch the Telium Tetra range and develop new offers, and in its Payment Services

[2] *On a like-for-like basis at constant exchange rates*

business to add new features to its platforms. Operating expenses represented 25.1% of revenue, versus 23.9% in the first half of 2015.

EBITDA margin in line with objective

The Group recorded EBITDA of €244 million, compared with €249 million in the first half of 2015. This brought the EBITDA margin to 21.5% of revenue, a result in line with management objective for the full year.

EBIT margin up

In the first half of 2016, profit from ordinary activities totaled €184 million compared with €197 million in the first half of 2015. Operating margin is at 16.2 percent of revenue. Profit from ordinary activities included Purchase Price Allocation expenses of €21 million as against €25 million in H1 2015.

Impact of purchase of price allocation (PPA)

(in millions of euros)	**H1'16 adjusted excl. PPA**	PPA Impact	H1'16 reported
Gross Profit	**490**	(6)	484
Operating expenses	**(284)**	(15)	(299)
Profit from ordinary activities	**206**	(21)	184

At 18.1% of revenue, EBIT reached €206 million in the first half of 2016, versus €221 million in the prior-year period.

Substantial profit from operating activities

Other operating income and expenses represented a net expense of €0.4 million, down from €3 million in the first half of 2015.

(in millions of euros)	**H1'16**	H1'15
Profit from ordinary activities	**184**	197
Profit from operating activities	**(-)**	(3)
Operating margin	**184**	194
As a % of revenue	**16.2%**	18.3%

After accounting for Purchase Price Allocation and other operating income and expenses, profit from operations totaled €184 million, compared with €194 million in the first half of 2015. The Group's operating margin was equal to 16.2% of revenue, versus 18.3% in the first half of 2015.

<u>Reconciliation of profit from ordinary activities to EBITDA</u>

(in millions of euros)	**H1'16**	H1'15
Profit from ordinary activities	**184**	197
Amortization of assets acquired	**21**	25
EBIT	**206**	221
Other D&A and changes in provisions	**23**	20
Share-based payment expenses	**15**	8
EBITDA	**244**	249

Financial results

(in millions of euros)	**H1'16**	H1'15
Interest expenses	**(10)**	(9)
Income from cash and cash equivalents	**4**	5
Net finance costs	**(6)**	(4)
Foreign exchange gains/losses	**(3)**	(2)
Other financial income	**8**	-
Financial result	**(1)**	(6)

Increase in profit attributable to shareholders

(in millions of euros)	**H1'16**	H1'15
Profit from ordinary activities	**184**	194
Financial result	**(1)**	(6)
Share of profit of equity-accounted investees	**(0)**	(0)
Profit before income tax	**183**	188
Income tax	**(56)**	(64)
Net profit	**127**	124
Net profit attributable to shareholders	**122**	122

At €1 million, net finance costs include an €8.5 million gain on the disposal of Visa Europe securities recognized at end-June.
Income tax expense fell from €64 million in the first half of 2015 to €56 million in the first half of 2016. As of June 30, 2016, the Group's estimated effective tax rate was 31%, a year-on-year improvement reflecting a more favorable country mix.
The net profit attributable to Ingenico Group SA shareholders in the first half of 2016 was €122 million, as in the prior-year period.

A sound financial position in line with the Group's growth plan

Total equity attributable to Ingenico Group S.A. shareholders was €1.395 billion.

Total equity attributable to Ingenico Group SA shareholders was €1.588 billion.

During the first half of 2016, Ingenico Group's operations generated free cash flow of €64 million. This result was 8% higher than the prior-year amount, due to a smaller change in working capital than in the first half of 2015 despite business growth. At the same time, continued investment brought the Group's investing activities to €27 million.
The Group has maintained its goal for the year of converting approximately 45% of EBITDA into free cash flow.

The cash dividend paid in respect of 2015 was €34.5 million, whereas 54.8% of the total dividend amount was paid in stock (502,641 shares), reflecting strong shareholder confidence.

Accordingly, as of June 30, 2016, the Group's net debt stood at €232 million, down from €252 million as of December 31, 2015. The net debt-to-equity ratio was 15%, while the net debt-to-EBITDA ratio held steady at 0.5.

2.2 Significant events occurred since June 30, 2016

All significant events which occurred since June 30, 2016 are described in the Note 14 on "Subsequent events" in the notes to the consolidated financial statements as of June 30, 2016.

2.3 Principal risks and uncertainties in the second half of 2016

Ingenico Group faces the same risks as described in the 2015 registration document (*Document de Référence*).

2.4 Related-party transactions

In the first half of 2016, there were no material transactions liable to be considered new regulated agreements See Note 6.a on "Related-party transactions" in the notes to the interim consolidated financial statements as of June 30, 2016.

2.5 2015 Outlook

The Group has maintained its objective for full-year organic revenue growth in 2016 at 10% or above, despite a troubled economy in Brazil and the uncertainty surrounding the pace of inventory destocking among distributors in the United States. Business will remain vigorous in Europe and Asia, and the ePayments division will return to double-digit growth in the second half of the year.

The Group has also maintained its full-year objective for EBITDA margin, which is expected to reach 21% of revenue in 2016.

2.6 Trends

In an electronic payment market in the midst of a boom, driven by the rise of e-commerce, new regulations that restrict the use of physical money around the world and the continuous expansion of the middle class in the emerging economies, new consumption patterns and new payment methods have emerged.

Ingenico Group's unique status as a provider of smart terminals and both online and in-store payment services puts the company in an ideal position to offer its customers simple, secure, omni-channel payment acceptance solutions.

To strengthen its global leadership in omni-channel payment acceptance, Ingenico Group has identified four strategic priorities:

- Strengthen its in-store leadership
- Further develop its position in full-service online payment services by developing cutting-edge features that respond to the needs of large-scale retailers and businesses in the digital economy
- Boost its presence across all channels to be able to offer one-stop omni-channel solutions
- Anticipate technological change and accelerate short-term, medium-term and long-term innovation

In this context and supported by its market leadership in smart terminals and the quality of its payment services offering, Ingenico Group has set itself the following financial objectives for 2020:

- 2020 revenue objective of €4 billion based on a double-digit annual organic growth and targeted acquisitions
- 2020 EBITDA margin objective : 22-23%
- EBITDA to FCF conversion rate : 45% as a floor
- Dividend policy confirmed : payout ratio of 35%

3/ Attestation of the party responsible for the condensed interim financial statements

I certify that to the best of my knowledge the interim condensed financial statements for the first half-year of 2016 were drawn up in accordance with the applicable accounting standards and give a true and fair view of the assets liabilities financial position and results of the Company and the consolidated group of entities and that the management report included herein gives a fair and true view of the significant events that occurred during the first six months of the year of their effect on the Group's accounts and of the Group's principal related-party transactions as well as a description of the principal risks and uncertainties confronting the Group in the remaining six months of the year.

Paris – July 26, 2016

Philippe Lazare
Chief Executive Officer

4/ Statutory Auditors' Report on the H1 2016 condensed interim financial statements

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Ingenico Group S.A.

Registered office: 28-32 boulevard de Grenelle - 75015 Paris
Share capital: €.61 493 241

Statutory Auditors' Review Report on the Half-yearly Financial Information

For the six-month period ended 30 June 2016

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying half-yearly consolidated financial statements of Ingenico Group S.A., for the period from January 1 to June 30 2016,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying the conclusion expressed above, we draw your attention to the note 8 to the condensed half-yearly consolidated financial statements regarding the Company's position in respect of the outstanding tax assessments concerning Ingenico Group S.A. Brazilian subsidiary as at 30 June 2016.

II. Specific verification

We have also verified the information presented in the half-yearly management report on the half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the half-yearly consolidated financial statements.

Paris La Défense, on the 26 July 2016

KPMG S.A.

Frédéric Quélin
Partner

Paris La Défense, on the 26 July 2016

MAZARS

Thierry Blanchetier
Partner