Registration Document 2010

ingenico
beyond payment

Registration Document 2010

Free translation for information purposes – Only the version in French is binding

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

Le présent Document de Référence a été déposé auprès de l'Autorité des Marchés Financiers le 2 mars 2011 conformément à l'article 212-13 de son Règlement Général. Il pourra être utilisé à l'appui d'une opération financière s'il est complété par une note d'opération visée par l'Autorité des Marchés Financiers. Ce document a été établi par l'émetteur et engage la responsabilité de ses signataires.

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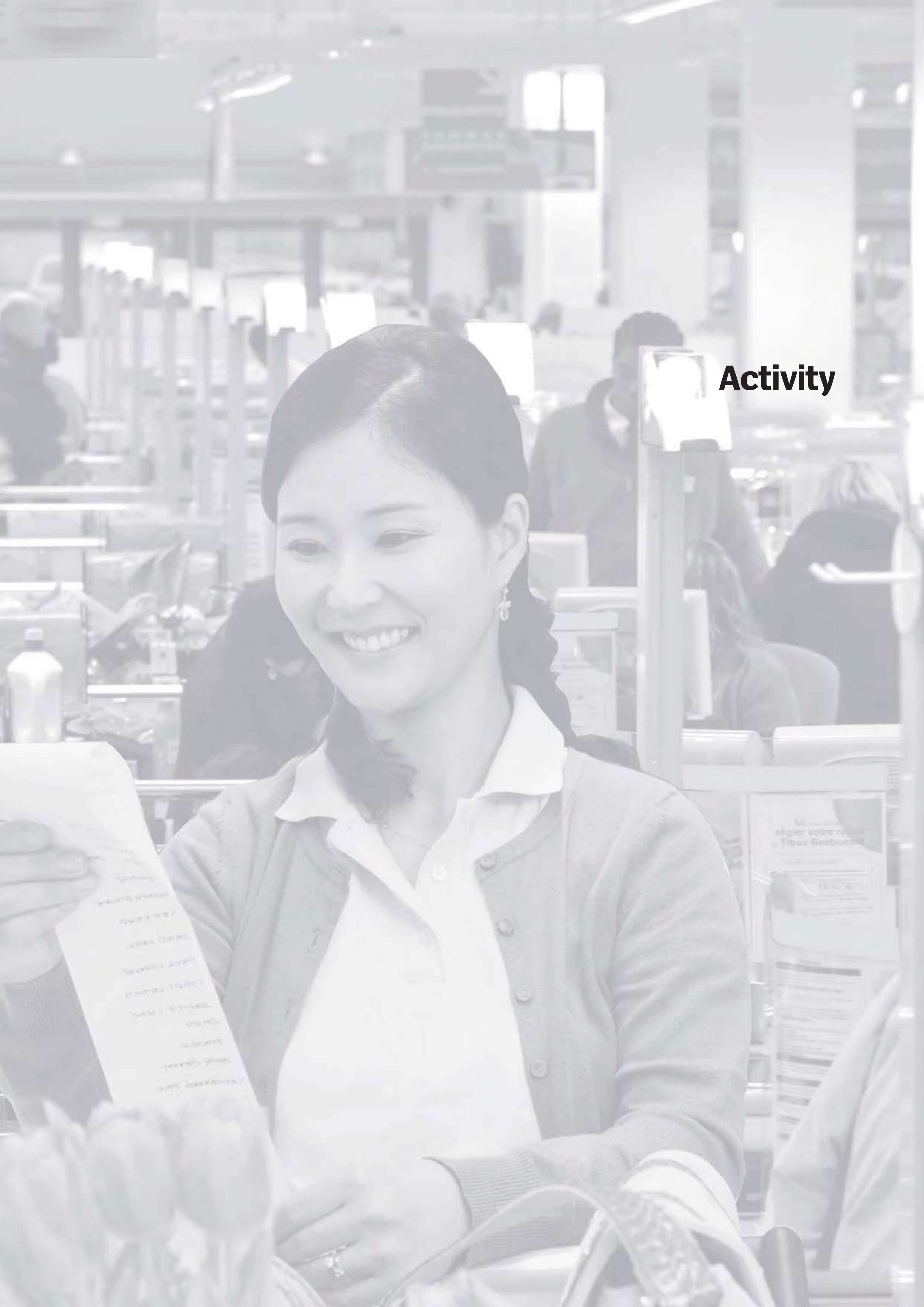


Activity

PRESENTATION

Presentation of the Group

The key to Ingenico's success and market leadership [1] has traditionally been its core business of designing and supplying payment terminals. The global terminal market generates an estimated €2 billion to €2.5 billion [2] in revenue.

To spur new growth, the Group began laying the groundwork in 2008 to leverage its core business to move into the electronic payment chain and capture the momentum of the payment transaction market.

In November 2009, Ingenico acquired easycash, a leading German payment services provider, paving the way for greater presence in the payment solutions business.

In 2010, the Group consolidated its leading position in Payment Terminals, completing the renewal of its latest product range. At the same time, Ingenico expanded its transaction management and value-added service offer through a series of targeted acquisitions and investments. By acquiring Ingenico Prepaid Services France (formerly Payzone France) and Ingenico Services Iberia (formerly First Data Ibérica) and taking a controlling interest in TransferTo, the Group strengthened its presence in Beyond Payment solutions.

The Group has been implementing the growth strategy outlined in its 2010-2013 strategic plan and described in the "3-year outlook" section of this Registration Document. The focus is on generating a larger share of recurring revenue in the fast-growing electronic payment transaction market.

Ingenico, the global leader in payment terminals

Leadership built on market consolidation

In 2008, Ingenico took the lead in the payment terminal market after merging with Sagem Monetel in March and acquiring a majority stake in Landi, China's second largest terminal provider, in June.

These acquisitions heightened our technological edge by bringing the Sagem Monetel platforms into the fold and by broadening our geographical footprint, both in regions where Sagem had positions and in the high-potential Chinese market.

The Group ended the year 2010 with an installed base of some 15.4 million terminals, representing a 35 percent estimated share of the global terminal market.

Global presence, local focus

Ingenico's sales network covers 125 countries. This global presence gives us a clear grasp of the specific issues in each location (e.g. the "banked" percentage of the population, telecom infrastructure, number and types of credit and debit cards in circulation, growth of chain-store retail).

Forging close-knit relationships with its customers and partners is thus a priority for the Group. By identifying their needs, it can offer them perfectly tailored expertise and solutions. This local focus is one of the Group's leading commercial strengths and a major differentiating factor.

Balanced presence in both mature and emerging markets

Revenue of €907 million in 2010, broken down by geographical area

The Group has a strong position in mature markets,[3] which accounted for 59 percent of Group revenue in 2010. It still can capture significant growth potential in those countries, especially in regions where its market share could be larger. Its main growth drivers are replacement of end-of-life devices in POS estates (after an average of 5 years), compliance with the new PCI PED 2.0 and EMV security standards and customer interest in new features such as fast check-out functions, color screens, mobile terminals and contactless payment.

In addition to its firm foothold in mature markets, the Group has a significant presence in emerging markets,[4] which accounted for 41 percent of Group revenue in 2010. In China, India and most other emerging markets, growth comes from

[1] Position maintained in 2010, according to revenue figures released separately by Ingenico, VeriFone and Hypercom.

[2] Market estimate based on the volume of terminals in the 2010 Nilson Report, and on the average selling and maintenance price estimated by Ingenico. Estimate checked against revenue reported by Ingenico, VeriFone, Hypercom and Gemalto.

[3] Mature markets are Europe-SEPA and North America. Revenue from those markets is described in the Activity chapter.

[4] Emerging markets are Latin America, Asia-Pacific and EEMEA. Revenue from those markets is described in the Activity chapter.

first-time purchases, fueled primarily by an increasingly "banked" middle class and efforts by authorities in those countries to promote that trend as a means of boosting tax collection. Due to the market structure in such emerging countries as Brazil or Turkey, the penetration rate of payment terminals is relatively high. In the emerging countries as a whole, the non-payment transactions market (e.g., recharging, prepayment or the provision of micro-finance) also offers considerable potential.

Outsourced production

Since 2003, Ingenico's production has been outsourced entirely to top-tier industrial partners. The Group now mainly works with two of the world's five largest electronics systems subcontractors, Flextronics and Jabil.

Stemming from Ingenico's ongoing efforts to streamline manufacturing, manufacturing plants which the Group relies on are now located primarily in Asia for the world market and in Brazil for that country's market. This manufacturing flexibility enables us to adjust output up or down, depending on demand, and to maximize procurement efficiency.

Banking and large-scale retail – our flagship markets

Ingenico's core business has historically been in supplying payment terminals to merchants, either directly for large-scale retailers or indirectly, for small or mid-size merchants, via acquirers or intermediaries.

The acquirer market

Acquirers make up the Group's main market. The participants are companies that manage payment service contracts for merchants: banks, transaction management companies acting on behalf of banks and solution distributors.

Acquirers are not terminal users but suppliers of payment terminals to merchants in the independent retail, food and hospitality sectors. The world's biggest banks, from Barclays, Crédit Mutuel and Garanti Bank to Bank of China and Bank of America, make Ingenico their trusted choice.

The large-scale retail market

Ingenico's other key market is large-scale retailing, in which it boasts such world-class customers as Home Depot, Safeway, Tesco, FNAC, RATP and JC Decaux, as well as retail chain heavyweights such as McDonald's, Starbucks Coffee, Quick, Zara and others.

Ingenico offers large retailers comprehensive solutions that are integrated into their data systems. These solutions are built on products in Ingenico's range: PIN pads connected to electronic cash registers, e-transaction management and concentration software, as well as consulting, support and services. The Group assists them in implementing solutions including more mobility (mobile devices) and combining all payment methods (physical, online and mobile-phone payment).

Vertical markets

Ingenico is also a direct or indirect supplier in many other so-called vertical market sectors, ranging from gasoline distribution, healthcare and lotteries to unattended distribution of goods and services, passenger control and home delivery.

Developing direct access to merchants

In its core business, Ingenico has historically sold the bulk of its terminals to banks. Since it acquired easycash in November 2009, however, the Group has been selling hardware and related services directly to merchants in Germany through its new subsidiary. For small independents, easycash generally covers the entire electronic payment value chain, from hardware rental to transaction management to value-added services. In dealing with large-scale retailers, the company focuses on transaction management and/or value-added services, including gift cards and loyalty cards.

The acquisition of Payzone and First Data Ibérica has further increased Ingenico's direct access to merchants in France, Spain and Portugal.

Technology leadership in payment terminals

Sustained policy of innovation

In the payment terminal market, constantly changing technology and regulations make innovation and R&D crucial levers for differentiation.

In 2010, Ingenico maintained its commitment to innovation, with a particular focus on ergonomics, design, state-of-the-art connectivity, new methods of payment and multimedia capabilities. During the year, 9 percent of revenue was spent on R&D to take the renewal of the Group's hardware range (PIN pads, mobile terminals, signature capture devices) initiated in 2009 to a higher level and employs 772 persons, representing 25 percent of the Group workforce and a vast majority of the expenses.

While the bulk of R&D involves basic research on hardware conducted at corporate level, the regions also do part of the work to develop applications tailored to their specific market needs.

The Group holds patents covering all of the technologies essential to its business lines. Our patent development policy combines in-house R&D with intellectual property rights acquired from third parties.

A single platform, Telium2

Building on the architecture brought in by Sagem Monetel, Ingenico developed Telium2, our new operating system platform deployed across the new range of terminals. This platform gives us a strong competitive edge, particularly in terms of production costs, transaction speed and reliability. The result is significantly improved product performance, while terminal production now requires only half as many components as previously.

Security

Security is a key factor in terminal design and a top priority in service offers. Ingenico's R&D department has a team dedicated exclusively to security research, which is responsible for anticipating changes in standards.

The terminals in Ingenico's new range were among the first on the market to obtain PCI PED 2.0 certification. In effect since 2008, this is the industry's latest PCI PED (Payment Card Industry – Pin Entry Device) standard, which sets out the most recent PCI SSC (Payment Card Industry Security Standards Council) physical and logical security requirements for chip and PIN card transaction devices.

In 2009, Ingenico also obtained PCI DSS 1.2 certification (Payment Card Industry – Data Security Standard) for its global service platform supported by an infrastructure of redundant secured hubs located on three continents. This certification is a set of comprehensive requirements enhancing the security of data routing, storage and processing (i.e. hosts, networks, software architecture and access control).

Leveraging the PCI DSS certification of its global service platform along with the PCI PED certification of its payment terminals, Ingenico can now offer its banking and merchant customers an unparalleled level of security.

A comprehensive, innovative range of terminals

A new generation of hardware – up and running

In 2010, Ingenico continued the renewal of its product range initiated in 2009 to meet three objectives:

- Bring the range of terminals produced by Ingenico and Sagem Monetel into alignment on the Telium2 platform, whose high-performance architecture delivers transaction speed and reliability that are market benchmarks.

- Respond swiftly to merchants' new expectations in terms of mobility (e.g. Wi-Fi, GPRS and 3G), contactless payment and user-friendliness (e.g. color screens).

- Encourage users to move "beyond payment" by proposing value-added services to generate extra revenue streams.

In 2010, Ingenico launched a new, iPP300 PIN pad series designed for the large-scale retail market, enriched its signature capture range with the iSC200 series, expanded its Satellite range with the contactless iST150 reader and completely renewed its wireless offer by rolling out the iWL200 series.

In short, Ingenico proposes a full range of terminals that meet both traditional merchant demand and the highly sophisticated requirements of large-scale retailers and banks, offering them access to new value-added services and maximizing point-of-sale return on investment.

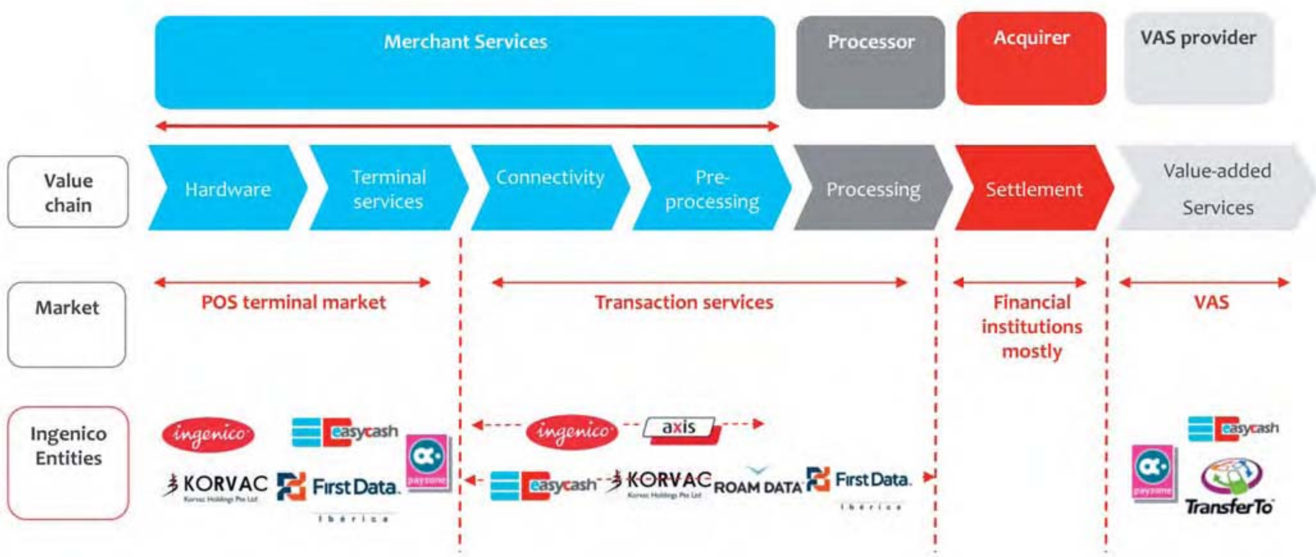
From hardware to services and solutions

Driving the structural shifts in the payment ecosystem are new expectations among consumers and merchants, emerging market growth, regulatory changes and new technology. At the same time, new trends in retail have led to new offers combining payment at the point-of-sale, online and by mobile phone. Ingenico's expertise in this complex ecosystem is a key differentiator.

A complete international and cross-border payment service offer

Ingenico offers banks, merchants and payment service providers comprehensive, centralized, secure management of their electronic payment terminals and transactions so they can optimize payment system operating costs, efficiently manage payment flows, meet ever-tighter security requirements and generate new revenue streams. Ingenico guarantees end-to-end security, visibility and control over the entire payment lifecycle.

Ingenico's managed service offer thus delivers centralized transaction flow management to guarantee optimal service quality and integrity, from POS terminal to acquirer.



The solution is organized around the following:

- Payment terminals and software.
- Terminal estate management, including security application updates.
- Connectivity ensuring the terminal-to-bank host connection.
- Full after-sales service taking charge of every phase in the lifecycle of terminals and software, 24/7, from installation, maintenance and repair to upgrades.
- Centralization of transactions (Axis).
- End-to-end security – from terminal to bank or processor.
- Value-added services.

What differentiates the Group is its ability to meet the demand of its banking and retail customers for optimized cross-border and international solutions through its presence in many countries and a payment service offer supported by the service expertise of easycash and a PCI DSS certified global platform. In 2010, the Group's Axis offer gained international reach, with deployment completed for the first customers outside of France, confirming the relevance of Ingenico's approach.

The Group's aim is to derive maximum benefit from regulatory changes, above all in Europe, with the implementation of the Payment Services Directive (PSD) and the introduction of the new Single Euro Payments Area (SEPA).

Outside of Europe, Ingenico acquired a strategic 49-percent stake in Korvac, a Singapore-based payment service provider with operations across Southeast Asia. The Group hopes to leverage the emergence of a new payment scheme sponsored by foreign banks established in Singapore to equip local merchants with payment terminals and move up the value chain through transaction management.

Multi-channel payment solution

Merchants today are confronted with a broad spectrum of sales channels, ranging from stores to the Internet to call centers. That diversity creates the need for a variety of partners and solutions to manage those different channels, with major implications in terms of cost and consistent infrastructure.

Since an ePayment solution was added to its centralized Axis offer in 2010, Ingenico can now provide merchants with a comprehensive view of all their online and in-store payment flows with a given supplier. The Group intends to leverage its solid relationships with major retailers, particularly through Axis in France, to promote online payment, an area in which Ingenico has begun to deploy its first pilot projects.

In addition, the Group is gearing up for the undeniable opportunity represented by mobile payment. The challenge facing providers is to be able in the medium term to offer seamless solutions that can process transactions carried out by any electronic payment method (on a POS terminal, online or by phone).

Ingenico believes that mobile phones will be used increasingly to make payments, particularly in emerging countries where a large share of the population is often "unbanked." This belief is what has prompted the Group to invest in companies with a presence in wireless payment.

In November 2009, for example, Ingenico acquired a stake in ROAM Data, a U.S. provider of fully hosted mobile application services. Leveraging patented technology and PCI DSS infrastructure, the applications developed by ROAM Data enable users to carry out transactions easily on all types of mobile phones, via a payment gateway operated 24 hours a day. ROAM Data primarily targets the mobile professional and micro-merchant market.

Taking users "beyond payment" with value-added services

Merchants are concerned with building customer loyalty, standing apart from the competition and marketing additional services. Meanwhile, the point of sale has changed dramatically. A POS terminal is no longer viewed as simply a device enabling fast customer check-out; it is increasingly perceived to be a point of service that can generate additional revenue.

To offer its customers the integrated, comprehensive solutions they need, Ingenico has stepped up its strategic shift to Beyond Payment solutions, above all through a series of acquisitions carried out since 2009.

The Group now offers a full suite of value-added services:

- Prepaid mobile phone credit transfers (TransferTo). TransferTo operates an international network for remote top-up of prepaid mobile phone accounts via SMS, thus enabling users with family and friends in other countries to send small amounts of money in the form of extra airtime anywhere in the world. TransferTo has strengthened its presence in the Far East, the Middle East and Africa, and now provides service in France as well, thanks to a new partnership with SFR.
- Loyalty card processing (easycash). easycash holds the number-one position in loyalty card and gift card processing. easycash offers an integrated, end-to-end solution, from card issuance to flow management. In 2010, easycash signed its first contract in France with a major gift card company.

- Mobile phone top-ups (Ingenico Prepaid Services France). This subsidiary manages a single merchant base and provides mobile phone refill cards to all of France's wireless carriers. Through its platform, Ingenico Prepaid Services France can also market a number of value-added services such as money transfers and music downloads in addition to its basic top-up service.

- Private-label card management (Ingenico Services Iberia). ISI processes payments made by private-label cards in Spain, with a special focus on service stations, where the company also handles transactions made with universal payment, loyalty, prepaid and gift cards.

- Electronic payment of fines through partnerships, chiefly in the United Kingdom.

- Other services including dynamic currency conversion, prepaid cards and more.

The Group has set up a new Global Solutions Sales & Marketing function with the aim of consolidating together these different building blocks and deploying them on its online service platform Incendo Online. This should provide a one-stop center offering value-added services that can then be ported easily and effectively to terminal estates.

A service offer covering an array of vertical solutions

Small merchants, banks, large retailers, lottery companies, hospitals, retail chains, government administration, service stations, m-commerce, transportation or hospitality – each business sector has its own specific challenges and needs.

After defining a segmented product portfolio for each of those vertical markets, Ingenico developed comprehensive offers tailored to each business sector's specific operations and based on Ingenico services (e.g. payment terminals, connectivity, transaction and value-added service management). Through these offers, Ingenico can also capitalize on its new terminal range supporting beyond payment services.

In addition to addressing issues and requirements specific to each vertical market, Ingenico intends to help its customers take up a new challenge, that of turning their point of sale into a point of payment, service, affinity and choice.

A competitive payment market

A concentrated POS terminal market

Market consolidation

The POS terminal market has consolidated in recent years, mainly through five major business deals:

- VeriFone's acquisition of Lipman in April 2006.
- The Ingenico and Sagem Monetel merger in March 2008.
- Hypercom's purchase of the Thalès e-Transactions unit in April 2008.
- VeriFone's tender offer for Hypercom in October 2010.
- VeriFone's buyout of Gemalto's payment terminal business in December 2010.

In value terms, these transactions left the three main players with an estimated 80 to 90 percent [5] of the market in 2010, while VeriFone's announced acquisition of Hypercom will reduce that number to two. Ingenico will also be competing with local providers, most notably Pax in China.

In 2010, Ingenico reinforced its leadership, with an estimated 39-percent market share in value, ahead of VeriFone and Hypercom.

High barriers to entry

Ingenico operates in both local and "multi-global" environments. Its payment terminals and secure transaction systems must not only be certified to meet global standards, mainly those defined by the Payment Council Industry; they must also obtain the mandatory regional certifications for the various applications used in each country.

In addition to these regulatory constraints, other obstacles include regional differences regarding payment habits and customer demands for specific applications.

Ingenico's large portfolio of applications is a significant asset. The Group manages over 1,000 applications for its customers.

A fragmented market for card payment services

The card payment services market is significant (worth an estimated €10 billion [6]), fragmented and local, with different payment applications implemented in each country. Although there are many players in the value chain, few offer global solutions.

[5] Estimate based on revenue reported by Ingenico, VeriFone, Hypercom and Gemalto.

[6] Estimate based on figures in Arthur D. Little analysis, "Revenue stemming from payment transactions and other payment related revenues."

Many international players are actually multi-regional players operating at some or all levels of the value chain. First Data, for example, is a multi-regional player that mainly manages technical infrastructure between acquirers and issuers, even if in some countries, such as Germany, it covers the entire value chain.

International providers (e.g. First Data, SIX cards, Equens and Tsys) coexist alongside other, often regional, players such as Commidea in the United Kingdom, Atos Worldline in France and easycash in Germany.

An organization based on a strong regional presence

Maintaining a strong local presence around the world is part of Ingenico's strategy. In order to respond to payment system issues, which are necessarily country-specific since they relate to national payment protocols, the Group needs to stay close to its customers and partners. This local focus is one of the Group's leading commercial strengths and a major differentiating factor.

At December 31, 2010, the Group employed more than 3,000 people, with 80 percent of its workforce working in five geographic areas. This arrangement speeds up decision-making and promotes smoother, more efficient communications between Group and regional teams.

In 2010, Ingenico reorganized its businesses to gain a clearer grasp of the specific dynamics at work in Asian markets, the new SEPA (Single Euro Payments Area) in Europe and potentially high-growth American and African markets. The new structure will break down into five regions:

- SEPA, which will include the main markets impacted by the new Single Euro Payments Area.
- EEMEA, which will include the other European countries, the Middle East and Africa.
- LAR, which will include the Latin American markets.
- NAR, which will include the United States and Canada.
- Asia-Pacific, which will include Southeast Asia, Australia and China.

The Group has a matrix organization structured around the following:

- Five regional organizations offering customers the solutions best suited to local needs.
- Four corporate-level support functions (Finance and Support, Operations and R&D, Global Solutions Sales and Marketing Solutions, Technology and Infrastructure) working in coordination with each of the regions.

Along with Philippe Lazare, the nine representatives of these structures (Christopher Coonen, Patrice Le Marre, Matthias Schulz, Pierre-Antoine Vacheron, Oscar Bello, Siegfried Heimgärtner, Chris Justice, Michel Léger) are part of the Management Board, which is responsible for achieving more efficient deployment of the Group's strategy and guaranteeing operational performance. The Group reinforced its Management Board in the course of the year with three new members in order to grow its business in payment-related services and transactions, while strengthening its leadership in payment terminals.

History of the Group

1980

Foundation of Ingenico, a company specializing in the design and manufacture of electronic payment card terminals

1984

Launch of the first magnetic stripe and chip smart terminal

1985

Listing on the Second Marché of the Paris Stock Exchange

1987-2004

Rapid and international growth

1987 INGENICO INTERNATIONAL PACIFIC PTY LTD (Australia) is created
1994 Major card issuers Visa, MasterCard and Europay adopt a standard payment chip-card standard, accelerating Ingenico's growth
1996 Ingenico acquired EPOS in Germany
1999 Ingenico acquired the terminal business of the groups DE LA RUE and BULL
2001 Ingenico acquired IVI CHECKMATE CORP in the United States
2004 Ingenico acquired Europa in Australia

2006

Business transformation.

- Ingenico outsourced terminal manufacturing
- Ingenico acquired Moneyline, a company providing centralized transaction solutions in France

2007

Return to profitability.

- Ingenico strengthened its foothold in promising markets through the acquisition of the Turkish companies Planet Ödeme and Planet Electronik

2008

Consolidation of world leadership in payment terminals

- Ingenico acquired the payment terminal business of Sagem Sécurité (Sagem Monetel)
- Ingenico acquired a 55-percent interest in Fujian Landi, China's second largest terminal provider
- Launch of range of international, cross-border, terminal-based services

2009

Acceleration of Group profile shift

- Ingenico's first major international deals demonstrated that its focus on services is a winning strategy.
- Ingenico acquired easycash, a leading German payment services provider.
- Ingenico created Ingenico Ventures to invest in the mobile payment chain through the acquisition of minority interests.
- Launch of new generation of payment terminals and Beyond Payment terminals.

2010

Implementation of 2010-2013 strategic plan.

- Integration with easycash yielded first joint market achievements.
- The 2010-2013 strategic plan was unveiled.
- The Group stepped up its value-added service strategy by acquiring controlling interests in First Data Ibérica, TransferTo, Payzone and Ingeserve.
- Ingenico made a strategic investment in Korvac, a payment service provider in Southeast Asia.
- The new terminal range derived from the Telium2 platform gained traction as PIN pads, mobile terminals and signature capture devices were launched.

ACTIVITY

2010 Group results

The consolidated financial statements have been drawn up in accordance with International Financial Reporting Standards. In order to provide meaningful comparable information, the data extracted from these financial statements have been presented on an adjusted basis, i.e. mainly restated to cancel the impact of the depreciation and amortization charges arising on the acquisition of new entities. Pursuant to IFRS 3 and IFRS3R, part of the acquisition price for new entities is allocated to the identifiable net assets acquired included into Group's scope and subsequently amortized over specified periods.

To facilitate the assessment of Ingenico's performance in 2010, revenue and key financial figures for 2009 have been restated from January 1, 2009 to reflect the Group's scope of consolidation as of January 1, 2010 and presented on an adjusted basis ("2009 pro forma"), i.e. including the change in the scope of consolidation which have occurred during 2009 fiscal year (acquisition of easycash and disposal of Sagem Denmark, Manison Finland and MoneyLine Banking Systems), and excluding changes of perimeter which have occurred in 2010 (acquisitions of Payzone, First Data Iberica and TransferTo). Ingenico has revised the basis for calculating "2009 pro forma" amounts after adjusting opening balances of both assets and liabilities (mainly trade and related receivables related to leasing contracts) during easycash's integration phase and within the twelve-month period following the acquisition.

EBITDA is not an IFRS concept; it is a financial metric defined here as profit from ordinary activities before amortization, depreciation and changes in provisions, and before share-based payment expenses.

Net cash flow from operating activities presented below is defined as the sum of EBITDA and change in working capital reduced by capital expenditures net of proceeds from sales of net current assets.

Following IAS 18, revenue from certain activities related to transaction services operated by the Group (TransferTo and "Credit Acquiring" of easycash) is presented gross without deducting TransferTo's payments to operators and interchange fees paid by easycash, respectively.

Key figures

(in millions of euros)	2008 reported	2009 reported	2009 pro forma	2010
Revenue	728.0	700.7	761.4	**907.0**
Gross profit	271.7	270.9	296.1	**366.1**
As a % of revenue	37.3%	38.7%	38.9%	**40.4%**
Adjusted operating expenses	188.2	190.8	206.8	**240.4**
Adjusted profit from ordinary activities	91.2	80.1	89.3	**125.7**
Adjusted margin on ordinary activities	12.5%	11.4%	11.7%	**13.9%**
Profit from operating activities (IFRS)	57.5	47.4	-	**73,8**
Profit for the year (IFRS)	36.7	26.8	-	**39.6**
Profit attributable to owners of the company	36.7	26.8	-	**39.6**
EBITDA	115.8	105.4	118.0	**165.9**
As a % of revenue	15.9%	15.0%	15.5%	**18.3%**
Net cash flow from operating activities	119.2	80.5	-	**158.9**
Net debt	(77.5)	144.4	-	**109.1**
Total equity	455.1	493.1	-	**545.6**

Revenue as reported is up 29.4 percent, resulting from the strong sales growth and a favorable foreign exchange impact

		2009		Change	
(in millions of euros)	2010	Reported	pro forma	on reported amounts	like-for-like
BY REGION					
Europe-SEPA	431.7	306.9	367.6	42.2%	14.5%
Latin America	162.2	130.2	130.2	24.6%	8.2%
Asia-Pacific	138.7	80.9	80.9	71.7%	41.5%
North America	103.0	102.2	102.2	0.7%	-8.2%
EEMEA	71.4	80.5	80.5	-11.3%	-15.2%
TOTAL	**907.0**	**700.7**	**761.4**	**29.4%**	**10.1%**

2010 Revenue totaled €907.0 million, up 29.4 percent based on reported figures, reflecting a favorable foreign exchange impact of €50.7 million and a €17.9 million contribution from acquired companies in 2010. Total revenue included €789.6 million generated by the Payment Terminals (hardware, servicing and maintenance) and €117.4 million from Transaction Services.

On a like-for-like basis, revenue in 2010 was up 10.1 percent compared to 2009. This performance was supported by dynamic growth in Payment Terminals (up 9.4 percent), particularly as the new Telium product range gained traction. The 16.4 percent increase in revenue from Transactions was driven by the growing contribution from easycash's Transaction Flow services (credit acquiring), accounted for on a gross basis as required by IAS 18. After interchange fees, growth was 10.7 percent, in line with the Group's expectations.

In 2010, Ingenico enjoyed strong sales performance in Asia-Pacific, Europe-SEPA and Latin America. The Group consolidated its existing strong positions in those regions, successfully leveraging the market growth driven by new equipment in emerging markets such as China, regulatory changes in Germany and Brazil and new technology in France and Spain. While performance in EEMEA and North America was down for the year, business there picked up in the fourth quarter.

Gross margin up thanks to the growing contribution from Telium terminals

On a reported basis, gross profit was €366.1 million, an increase of 35 percent compared with 2009. Gross margin in 2010 was 40.4 percent, or 170 basis points higher than in 2009.

On a pro forma basis, gross margin gained 150 basis points to 40.4 percent in 2010. This result was primarily attributable to the 230 basis-point increase in gross margin in the Payment Terminal activity (hardware, services and maintenance) to 40.7 percent of revenue in 2010, with the growing contribution from Telium-range terminals and an enhanced product mix. Gross margin in hardware increased by 400 basis points to 44 percent, while gross margin in maintenance services decreased as a result of a €6.1 million non-recurring expense booked in the first half to address products quality issues affecting specific references in the Group's former range.

Based on the application of IAS 18 criteria to revenue recognition on some transaction services (credit acquiring, TransferTo) , gross margin in Transactions totaled 38.1 percent, compared with 42.5 percent in 2009, since the expansion of those services has had the effect of reducing gross margin rate as reported. In 2010, these services represented 8 percent of Transactions revenue, compared with just 2 percent in 2009. After interchange fees and repayments to carriers, gross margin rate improved from 43.4 percent in 2009 to 44 percent in 2010.

Operating expenses under control

Operating expenses as reported were €269.2 million in 2010, compared with €210.1 million in 2009 and include €28.8 million depreciation and amortization charges arising on the acquisitions of entities. This increase was primarily attributable to the impact of the Group's new acquisitions, as well as to sales and marketing and research and development expenses. Operating expenses were equal to 29.7 percent of revenue, a decrease of 30 basis points compared to 2009.

(en millions d'euros)	2009 reported	2009 pro forma adjusted	2010 reported	Restatement related to depreciation & amortization charges on acquisitions	2010 adjusted
Sales and Marketing	55.1	52.7	85.2	(16,0)	69.2
Research and Development	75.6	62.8	84.2	(12,8)	71.5
General and Administrative	79.3	91.4	99.8	-	99.8
TOTAL OPERATING EXPENSES	**210.1**	**206.9**	**269.2**	**(28,8)**	**240.4**
AS A % OF REVENUE	**30.0%**	**27.2%**	**29.7%**		**26.5%**

Adjusted current operating expenses (restated by €28.8 million depreciation and amortization charges arising on the acquisitions of entities) totaled €240.4 million in 2010, compared with €206.9 million in 2009 pro forma. In addition to including €4.7 million in expenses related to the companies acquired in 2010, the higher 2010 figure reflected increased spending on both sales and marketing expenses supporting commercial performance and on R&D to launch Ingenico's new Telium-based PIN Pad, signature capture and portable terminals. Adjusted operating expenses were equal to 26.5 percent of revenue in 2010, i.e. 70 basis points lower than the 2009 pro forma adjusted operating expenses.

Adjusted profit from ordinary activities up 220 basis points to 13.9 percent

On a reported basis, profit from ordinary activities increased by 59 percent, from €60.8 million in 2009 to €96.9 million in 2010. This lifted the Group's margin on ordinary activities by a full 200 basis points to 10.7 percent of revenue. Moreover, in 2010, profit from ordinary activities included purchase price allocation expenses of €28.8 million (up from €19.3 million in 2009) in connection with the easycash, First Data Iberica and TransferTo acquisitions.

Adjusted profit from ordinary activities was €125.7 million, an increase of 41 percent compared with the €89.3 million pro forma figure for 2009, as a result of better absorption of operating expenses. As a result, the adjusted margin on ordinary activities increased by 250 basis points compared with 2009 reported figure to 13.9 percent of revenue in 2010.

Profit from operating activities up by a substantial 56 percent

After accounting for charges resulting from purchase price allocations and other operating income and expenses, profit from operating activities rose by 56 percent – from €47.4 million in 2009 to €73.8 million in 2010. This marked a 130 basis-point increase to 8.1 percent of revenue.

(in millions of euros)	2009 reported	2010 reported
Profit from ordinary activities	60.8	96.9
Other operating income and expenses	(13.4)	(23.1)
PROFIT FROM OPERATING ACTIVITIES	**47.4**	**73.8**
AS A % OF REVENUE	**6.8%**	**8.1%**

Profit from operating activities included net other operating expenses of €23.1 million in 2010, compared with €13.4 million in 2009. This change was attributable to restructuring costs, to the remeasurement of the previously acquired non-controlling interest in TransferTo after Ingenico took control of that company, and finally to a €21.4 million goodwill impairment loss relating to North America region at December 31, 2010. After reviewing developments in this region during the year and the efforts required to meet the targets previously set, the Group recognized a partial write-down of goodwill for North America with no impact on cash flow.

Reconciliation of profit from ordinary activities to EBITDA

(in millions of euros)	2009	2010
Profit from ordinary activities	60.8	96.9
Allocated assets amortization	19.3	28.8
Other D&A and changes in provisions	18.6	35.0
Share-based payment expenses	6.7	5.2
EBITDA	105.4	165.9

Net finance costs

(in millions of euros)	2009	2010
Interest expense	(3.3)	(11.7)
Income from cash and cash equivalents	1.8	3.4
NET INTEREST COSTS	**(1.5)**	**(8.3)**
Foreign exchange gains/(losses)	(2.2)	1.4
Other financial income/(expenses)	1.5	(2.9)
NET FINANCE COSTS	**(2.2)**	**(9.8)**

Finance costs increased in 2010 as a result of higher interest expense on short- and medium-term loans, which was partially offset by net foreign exchange gains. The Group contracted two major medium-term loans for a total of €310 million, on which €244 million had been drawn down at December 31, 2010, as described in section 4 "Financial Risk Management" of the notes to the consolidated financial statements as at December 31, 2010.

Profit for the year up 48 percent to €39.6 million

In 2010, Ingenico posted a profit of €39.6 million, up from €26.8 million in 2009. This result was achieved despite total finance costs of €(9.8) million (compared with €(2.2) million in

2009) and income tax expense of €22.7 million (compared with €18.1 million in 2009). The tax rate in 2010 was 35.5 percent. [7]

(in millions of euros)	2009	2010
PROFIT FROM OPERATIONS	**47.4**	**73.8**
Total finance costs	(2.2)	(9.8)
Share of profit of equity-accounted investees	(0.3)	(1.7)
Profit before income tax	45.0	62.3
Income tax	(18.1)	(22.7)
PROFIT	**26.8**	**39.6**

Proposal to pay a dividend of €0.35 per share, up 17 percent

Taking into account the increase of the share capital by incorporation of reserves in 2010, net earnings per share were €0.81, up from €0.58 in 2009. The Board of Directors will be proposing that the shareholders vote at their Annual Meeting of April 28, 2011 to increase the dividend to €0.35 per share, with dividends payable on May 31, 2011 in cash or in shares, at the option of the holder.

A sound financial position, buttressed by a near doubling of net cash from operating activities

Net cashflow from operating activity went from €80.5 million in 2009 to €158.9 million in 2010. This increase is the result of both a significant increase in EBITDA to €165.9 million, driven by the Group's operational performance and significant contraction in net working capital making €16.2 million available to the Group, compared with a requirement of €1.8 million in 2009. This contraction results from a better management of inventories and trade receivables as well as an improvement of trade payables in particular in relation with an evolution in the Group policy towards subcontracting. Capital expenditures net of proceeds from sales of non-current assets remained stable at €23.2 million (2.6 percent of revenue) a significant part of which came from capitalized development costs. This resulted in a cash conversion ratio (net cash flow from operating activities/EBITDA) of 96% in 2010 against 76% in 2009.

[7] Tax rate = tax expense/(profit before income tax – Share of profit of equity-accounted investees).

(in millions of euros)	2009	2010
EBITDA	**105.4**	**165.9**
Change in net working capital	(1.8)	16.2
Capital expenditures	(23.0)	(23.2)
NET CASH FLOW FROM OPERATING ACTIVITIES	**80.5**	**158.9**

At December 31, 2010, net debt was €109.1 million, down from €144.4 million at December 31, 2009. The net debt-to-EBITDA ratio was x0.7, demonstrating the Group's sound financial position.

To enhance financial flexibility and support its growth strategy, Ingenico is considering diversifying its sources of financing and lengthening the average maturity of its debt.

The outlook for 2011

In 2011, the Group will maintain its strategic focus on leveraging integration of the acquired companies to accelerate the evolution in its business profile toward Transaction and Services and strengthening its leadership in Payment Terminals.

Following its sustained performance in the Payment Terminals in 2010, the Group expects an organic growth in this field in 2011 that is in line with the long term trends of this market (estimated at between 3 percent and 5 percent in value). The Group expects an organic growth in Transactions revenue ranging from 12 percent to 15 percent –ahead of market expectations (between 8 percent and 10 percent in value terms). As a consequence, the Group expects revenue between €965 and €985 million at constant exchange rates and on a like-for-like basis in 2011, representing a growth ranging from 6.4% to 8.6% compared with consolidated 2010 reported revenue.

In 2011, the Group expects adjusted margin on ordinary activities and EBITDA margin to be higher than the 2010 performance (13.9% and 18.3% respectively) This objective takes into account a better coverage of current operating expenses that should compensate the temporary reduced impact of the growing contribution of transaction flow services (credit acquiring, TransferTo) on margin resulting from the application of IAS18 on these activities.

Note on 2011 outlook

The guidance provided here is the product of a thorough process of forecasting revenue and adjusted margin on ordinary activities for each of the Group's operating entities.

Those forecasts reflect each entity's operational specifics, its geographic location and business lines as well as its business portfolio and sales targets. They are reached using the accounting principles and methods applied by Ingenico in preparing its consolidated financial statements as at and for the year ended December 31, 2010.

In the specific case of transaction flow services (credit acquiring, TransferTo), revenue is recognized on a gross basis, i.e. including fees received, as prescribed by IAS 18.

Forecasts are made on a like-for-like basis, i.e. including as of January 1st 2011 all entities acquired during the course of 2010.

The Group's forecasts assume constant exchang rates, which means using average 2010 exchange rates to translate the forecasts of subsidiaries with a functional currency other than the euro. Forecast transactions denominated in US dollars of companies whose functional currency is the euro are translated into euros on the basis of a November 2010 consensus forecast by banks for the 2011 euro/dollar exchange rate.

Cautionary statement

The realization of the above-mentioned forecasts depends on circumstances and possible future developments that are not historical fact. There can be no assurance that the facts and developments referred to will occur or that the forecasts presented herein will prove accurate. These data, projections and estimates may evolve or undergo changes as a result of uncertainties affecting Ingenico's economic, financial, competitive and regulatory environment.

Moreover, some of the risk factors described in the chapter on Risk could affect Ingenico's business, financial condition, results of operations and ability to meet its objectives if they were to materialize.

Lastly, the above-mentioned forecasts as to revenue and operating margin rely in whole or in part on judgments and decisions by the Group's Board of Directors and executive management that could evolve or undergo changes in the future. Accordingly, Ingenico undertakes no obligation and makes no guarantee as to the realization of the forecasts in this chapter.

Statutory auditors' report on profit forecasts

This is a free translation into English of the Statutory auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

To the Chief Executive Officer,

In our capacity as statutory auditors and in accordance with EU regulation 809/2004, we hereby report on the profit forecasts of Ingenico S.A. included in section « Activity – the outlook for 2011 » pages 17 and 18 of its Registration Document dated 2 March 2011.

These forecasts and underlying significant assumptions were prepared under your responsibility, in accordance with the requirement of EU regulation 809/2004 and CESR's recommendations on forecasts.

Our role is to express, in accordance with the terms required by Appendix 1, item 13.2 of EU regulation 809/2004, our conclusions on the appropriateness of the preparation of these forecasts.

We performed the procedures we considered necessary in accordance with professional guidance issued by the national Institute of auditors relating to this engagement. Our work included an assessment of the procedures implemented by management to prepare the forecasts, as well as the performance of procedures to obtain assurance about whether the accounting principles and methods applied are consistent with those used for the preparation of the historical financial information of Ingenico S.A. They also involved collecting information and explanations we deemed necessary in order to obtain reasonable assurance about whether the forecasts are appropriately prepared on the basis of the specified assumptions.

We remind you that, as this concerns forecasts, which are uncertain by nature, actual results may differ significantly from the forecasts presented and so, we do not express any conclusion as the potential realization of these forecasts.
In our opinion :

- The forecasts have been properly prepared on the basis disclosed;
- The accounting basis used for the purposes of these forecasts is consistent with the accounting policies applied by Ingenico S.A. for the preparation of its consolidated financial statements as of and for the year ended December 31, 2010.

This report has been prepared solely in the context of the filing of the Registration Document and of the public offering in France and other EU countries in which the prospectus may be notified, and may not be used for any other purpose.

The statutory auditors

Paris La Défense, 2 March 2011	Paris, 2 March 2011
KPMG Audit IS	C.G.E.C. S.A.
Jean-Pierre VALENSI	Sophie BRULEBOIS
Partne	Partne

3-year outlook

In a press release dated June 9, 2010, Ingenico announced its strategic plan for the period from 2010 to 2013; the main points are summarized below.

With the successful integration of easycash, Ingenico is focused on maintaining its leadership in POS terminals while growing the transactions management and value-added services. The Group's objective is to multiply revenue from transactions by a factor of 3 between 2009 and 2013. As a consequence, recurring revenue from maintenance services and Transactions should represent circa 40% of total revenue in 2013 compared to 28% in 2009 pro forma. By 2013, EBITDA margin is expected to be above 18% of total revenue.

The evolution of payment ecosystem is driving strong opportunities

The payment market is structurally growing with a continuous evolution towards electronic payments. Structural changes of the payment ecosystem are also driven by new expectations from consumers and merchants, the growth in emerging countries, the prominent regulation and changes in technology. New trends in shopping experience drive a shift towards offers that combine POS, online and mobile payments and for which the expertise of Ingenico in the complex payment ecosystem is a key differentiator.

Highlights of the 2010-2013 Strategic Plan

- 2013 revenue above €1 billion is based on growth in all segments with increasing direct access to merchants, coming from POS to transaction management and value added services.

- Revenue from transactions should triple in 2013 from €84 million in 2009 pro forma. This will be mainly driven by organic growth, the internationalization of the easycash business model outside Germany (2/3), and will be fuelled by focused acquisitions (1/3) which program is well advanced.

- EBITDA margin is expected to be above 18% of revenue in 2013 based on further optimizing of costs of the POS activity combined with operating leverage from transactions related revenues. Synergies from the Group combination with easycash should generate € 12 million incremental EBITDA in 2013.

The Group confirms its confidence in achieving these medium-term targets that he could review upwards based on 2010 performance and 2011 outlook.

As of the date of this registration document, no significant financial investment has been the subject of an obligation towards a third party.

RISKS

Ingenico believes that on the date of this document, the risks described below are those that are likely to affect its business or results. The risk review performed by Ingenico has revealed no significant risks other than those described below that, were they to occur, could adversely affect the Group's business, sales and business operations or share price. Investors should, however, be aware that there may be other risks that were not identified on the date of this document or whose occurrence was not deemed likely to have a significant adverse effect on the date of this document.

The Audit Committee periodically reviews and assesses any potential risks that could adversely affect the work carried out within the Group, as well as the suitability of the procedures in place. The Committee conveys its main findings and decisions to the Board of Directors.

Business and strategic risks

The risk of not meeting targets

The Group's financial performance depends on a variety of factors, and specifically on its ability to do the following:

- Increase revenue from the Group's historical payment terminals business, a business in which demand fell sharply in 2009. That trend could continue into the future if consumer spending and investment were to slow down.
- Increase revenue from the Group's service business, based on internationalization of easycash transaction management services and by leveraging the Group's recent acquisitions (easycash, Payzone, First Data Iberica and TransferTo) to develop and sell a portfolio of value-added services.
- Maintain profit margins, despite the historical trend of downward pricing pressure in the payment terminals market.
- Streamline and effectively leverage technical infrastructure and platforms of the recently acquired businesses in Transactions.
- Control operating costs and the cost of developing services and solutions.

Through its monthly performance analyses and periodic earnings forecasts, financial management regularly informs the Board of Directors of results and any possible fluctuations in results. The Group's business, results of operations and financial condition could be affected if Ingenico fails to achieve all or some of its targets, particularly the goals set out in its 2010-2013 strategic plan as described in the "3-year outlook" section of this document.

The risk of facing additional financing needs

The Group could require additional financing, if, for example:

- The Group maintained its policies of expanding through acquisitions to develop synergies with its legacy business (payment terminals), of acquiring installed bases of terminals to accelerate implementation of its service strategy or of purchasing payment technologies that bypass payment terminals (using the Internet and mobile phones).
- Technological change compelled the Group to invest substantially in new technology and new offers of terminals and services.
- If revenue and margins were to contract as a result of events over which the Group has no control.
- Or more generally, the electronic payment market underwent major change.

The Group cannot be sure to have the adequate financing at the right time, and without it, its ability to grow could be adversely affected. However, the Group does have unused sources of financing as described in Note 4 of Notes to the consolidated financial statements and have also introduced a decision-making process designed to anticipate future needs.

The risk of inaccurate forecasts

Revenue growth depends on the Group's ability to attract and retain customers, as well as on the expansion of the payment hardware and service market. The rate of payment terminal sales growth is related to two sets of factors: 1) the pace at which merchants in mature markets replace their terminal estates and adopt new technologies; and 2) the pace at which merchants in emerging markets purchase payment terminals. Although the average lifecycle of a payment terminal is five years, merchants and banks may delay replacement of their equipment, as they did in 2009 under challenging economic conditions. Moreover, revenue growth, particularly in the hardware business, depends on the regulatory environment as well as on successful migration to the Telium platform, particularly in the United States. Were that environment to change, sales volumes could decrease significantly.

Growth in the Group's revenue further depends on its ability to sell services to companies that were previously customers of Ingenico's legacy payment terminal business but that may be its competitors in the service business. Globally, the Group estimates that customers and prospects have responded favorably to its new service offer, which fits with their desire to streamline and simplify management of their terminal estates. The Group also scored commercial success during the fiscal year and believes that its acquisition of easycash lends greater credibility to its service approach. But services have a longer sales cycle than payment terminals and usually have to be tested in pilot projects before a proposed solution can be deployed.

If revenue forecasts fail to materialize, the Group's adjusted margin on ordinary activities could be adversely affected.

Moreover, a strong increase of transaction flow services ("acquiring", TransferTo) could have a reduced impact of transaction flow services on margin due to the application of IAS 18.

This makes it difficult to forecast future revenue streams from the sale of payment terminals and the provision of services. Its business, results of operations and financial condition could be affected 1) if Ingenico fails to achieve all or some of its targeted goals; 2) if market prices for payment terminals show a significant, sustained decline; 3) if demand for payment terminals grows more slowly; or 4) if the uptake of terminal-related services fails to materialize.

Risks related to the Group's dependence on specific suppliers

Ingenico has entirely outsourced the production of its payment terminals to specialized electronic assembly companies known as EMSs (External Manufacturing Services). The Group currently works with two of the world's five leading electronic sub-assembly subcontractors, Flextronics and Jabil, who handle the bulk of its production work. If they were to fail to meet its requirements, Ingenico would turn to other previously identified suppliers and is in a position to shift production among suppliers in a relatively short time span. The Group cannot guarantee that in the event of major political troubles, a shift in production site would not generate temporary hardware manufacturing difficulties.

Component sourcing risk

Ingenico orders components directly. Because component shortages are a clearly identified risk in the electronics industry, the Group takes all due care to monitor industry forecasts, and the Operations Department checks those forecasts against the Group's sales forecasts in order to prevent the risk of components shortages. The Group believes that it successfully managed the risk of component shortages in 2010 by anticipating its needs and maintaining good relationships with manufacturers. Component shortages therefore had no material impact on the Group's results in 2010.

Risks related to hardware manufacturing and service provision

A single operating or manufacturing defect in any of the Group's products and systems could be cause for a product liability lawsuit of variable importance.

The Group has established an internal quality procedure to reduce the related risk at EMS providers and believes there are no risks that would warrant recognizing additional provisions in the accounts for 2010. However, any claims related to such defects could damage its reputation and adversely affect its business, results of operations, financial condition and ability to meet its objectives.

Risks related to service availability

In developping its business in services, Ingenico makes an increasing use of service providers, particularly for the easycash online platform, the Axis platform, and the platforms for Ingenico Prepaid Services France and Ingenico Services Iberia. Providers are selected through competitive bidding in response to Ingenico's operational and financial specifications. The Group's relations with its service providers are contractually stipulated. However, any failure on their part to provide the services regularly required by the Group's operations, particularly with respect to online and point-of-sale payment capabilities, could affect Ingenico's service business and its customer relationships.

The risk of fraud

Payment terminal security is a key element in exchanging sensitive data and in electronic payment transactions. Ingenico manufactures terminals incorporating cryptographic technology that comply with PIC PED (Payment Industry Council – Pin Entry Device) security standards. The Group has established a procedure for tracking terminal quality throughout the production process at EMS factories. Notwithstanding all these security measures, it can make no assurances that Ingenico terminals are tamper-proof, even though they were certified at the time of manufacture. Any tampering or any claims with respect to the security of its terminals could therefore damage its reputation and adversely affect its business, results of operations, financial condition and ability to meet its objectives.

Risks related to doing business in a large number of countries

Ingenico markets its products and services in more than 120 countries around the world, and intends to grow its business in China, India, Africa, Iran, Russia, in the Balkans and Southeast Asia.

The primary risks associated with international business operations are the following:

- Local economic and political conditions.
- Exchange rate fluctuations.
- Restrictions on capital repatriation.
- Unanticipated changes in the regulatory environment.
- A variety of tax regimes that may adversely affect the Group's results of operations and cash flow, particularly regulations on transfer pricing, withholding taxes on the repatriation of funds and on other funds transferred by the Group's joint ventures and subsidiaries.
- Import restrictions.
- Customs duties, controls on exports of goods and services and other trade barriers.

Ingenico carries out an in-depth review of each country, studying the market and assessing possibilities for starting up operations. Consistently strict terms of payment are applied to countries in Africa, the Middle East, Southeast Asia and Eastern Europe.

Customer risk

Ingenico derives a large share of its revenue from a small number of customers. The Group's top one, five and ten customers accounted respectively for 6.8 percent, 15.3 percent and 22.2 percent of revenue reported in the year ended December 31, 2010. A decrease in or loss of business from one or more of those customers could therefore reduce total revenue in like proportion.

	2010		2009		2008	
	€M	% rev	€M	% rev	€M	% rev
Top 1	61.6	6.8	54.5	7.8	41.1	5.6
Top 5	138.5	15.3	120.9	17.2	104.1	14.3
Top 10	201.3	22.2	175.5	25.0	161.6	22.2
TOTAL REVENUE	**907.0**	**100**	**700.7**	**100**	**728.0**	**100**

Risks related to the integration of companies acquired

Expanding the Group's transaction business is an important part of achieving the objectives in the 2010-2013 strategic plan. The goal for 2013 is to triple its 2009 revenue from Transactions by offering customers and prospects integrated, cross-border, end-to-end global solutions.

This in turn requires integration with the companies Ingenico recently acquired. More specifically, the Group must:

- Promote organic growth at easycash and the extension of its services across Europe;

- Develop its value-added service offer globally through Payzone in France, First Data Ibérica, chiefly in Spain, TransferTo; and

- Develop its transaction business in Southeast Asia through the minority stake Ingenico acquired in Korvac in September 2010.

The Group can make no assurances that the process of integrating easycash and the companies acquired during the course of 2010 will be successful. This goes in particular for the integration of departments and staff and the outcome of the expected synergies. The process involves integration with a company that is not only engaged in a complementary business (payment transactions and value-added services) but has a different corporate culture.

In broader terms, Ingenico must also maintain an ability to adapt its structures swiftly in order to adjust to changing technology, payment methods and customer demand. The Group might fail to invest in products and services that respond to demand at competitive prices or to adjust its products and services, its cost and its organization structure in a timely fashion. Such a situation could adversely affect its business, results of operations and ability to meet its objectives.

Human Resource risks related to the transformation of the Group

As part of its 2013 strategic plan, Ingenico made a number of acquisitions in the transaction business. Initially a supplier of electronic payment hardware, the Group is increasingly becoming a provider of solutions – a transformation that must be actively engineered.

And because significant “people” issues are involved, Ingenico initiated a program to update and upgrade the key skills of its staff, both by training sales and R&D personnel and by recruiting fresh talent and people with different profiles from the service sector. In addition, the Group revised its bonus pay programs to boost growth in the payment service business and created an ad hoc team tasked with integrating new entities into the Group.

Lastly, it makes extensive use of internal communications to ensure that all employees take the new business model on board.

Despite these initiatives, any failure by the Group to provide support and guidance during the transformation phase could prove detrimental to successful implementation of its strategy.

Environmental risk

Risks related to the use of hazardous substances

Ingenico is required to comply with the RoHS (Restriction of the Use of Certain Hazardous Substances) Directive, which imposes strict limitations on the use of four heavy metals (lead, cadmium, hexavalent chromium and mercury) and of two brominated flame retardants (PBB and PBDE) in certain types of electrical and electronic equipment. The Group makes sure that Ingenico terminals, manufactured by EMSs, abide by Directive 2002/95/EC, and 100 percent of terminals shipped in 2009 were RoHS-compliant.

Risks related to REACH (Registration, Evaluation, Authorization and Restriction of Chemicals)

REACH is a European regulation (1907/2006/EC) on identifying and gradually eliminating the most dangerous chemicals (both on their own and those contained in preparations and articles). The aim is to generate information on the use made of chemical substances manufactured in or imported by the European Union and to ensure that any risks arising from their use are adequately controlled.

Under REACH, Ingenico imports and markets articles containing no substances that are intended to be released during normal and reasonably foreseeable conditions of use. Ingenico has therefore been exempted from the pre-registration and registration obligations.

REACH also requires that customers be notified of any article containing more than 0.1 percent of any Substance of Very High Concern (SVHC). To meet its obligations, Ingenico carefully examines the list of SVHCs published by the European Chemicals Agency (ECHA) and makes sure that the components used in its products do not contain such substances in a concentration higher than authorized.

If any of its products turn out to contain such a substance, Ingenico undertakes to pass on sufficient information to customers to allow their safe use.

Risks related to the ErP Directive

The ErP Directive provides a framework for setting and implementing ecodesign requirements for energy-related products. The Directive is accompanied by implementing measures that lay down ecodesign requirements for defined energy-related products.

Manufacturers of products covered by an implementing measure must therefore ensure that the products they place on the market comply with the applicable implementing measure. Non-compliant products may be recalled from the market.

Although its products do not fall within the scope of the various European Commission implementing measures, Ingenico carefully monitors all the implementing measures approved by the European Commission under Directive 2009/125/EC in order to anticipate its future obligations.

Industry risk

Risks related to development of new systems and standards that may be incompatible with existing payment systems

The payment industry is subject to rapid, far-reaching changes in services and technologies, with the emergence of new payment terminal technologies (e.g. contactless, biometric) and of alternatives to payment terminals (e.g. payment via the Internet and mobile phones).

Ingenico considers chip card technology the best platform for providing a wide array of services, from networking, personal identification and security to e-commerce and mobile business. The Group's growth strategy reflects the firm belief that chip card technology will one day be the leading standard in secure access solutions.

If, however, alternative solutions were adopted, this change could adversely affect its business, results of operations, financial condition and ability to meet its objectives.

Continuing with the EMV program and working closely with the leading providers of technology used in payment terminals (e.g. contactless cards, payment by phone with Near Field Communication technology) mitigates its risk exposure should other systems and standards incompatible with secure payment systems be developed. Moreover, Ingenico has undertaken to develop specific expertise in controlling such risks.

The Group continually monitors trends in payment technology and usage of banks and merchants over the world. Ingenico has already invested in companies offering innovative solutions that address the growing diversity of payment methods, particularly in mobile payment (Roam Data).

Despite these efforts, the Group might not succeed in, or might be late in anticipating trends in demand for new payment methods, since technological change and the emergence of new methods of payment can have unforeseeable consequences. Such a development could adversely affect its business, results of operations and ability to meet its objectives.

Risks related to competition in the payment terminal business

The worldwide payment terminal market is highly concentrated. In 2009, three major players accounted together for approximately 90 percent of aggregate sales in value (estimate based on publicly available data), while the announced acquisition of Hypercom by Verifone will further reduce that number to two. Ingenico also has local competitors.

Despite this high level of concentration, Ingenico cannot rule out the possibility that new manufacturers will make successful inroads into the payment terminal market:

- Emerging country manufacturers may expand internationally.
- Large companies previously focused on secure electronic transaction processing may wish to move down the electronic payment value chain and include hardware in their offers.
- Providers using allegedly less secure solutions based on open platforms (Windows CE or Linux) may seek to break into the payment terminal industry.

This competitive trend could negatively affect its business, results of operations, financial condition and ability to meet its objectives.

Risks related to competition in the payment service business

Due to its growing focus on this new business line, the range of competitive risk factors facing the Group has expanded beyond the market for conventional payment terminals. The services the Group now offers (connectivity, transaction and terminal estate management, transaction processing and value-added services) are rarely available from its traditional competitors, but are usually offered by companies that may be Ingenico partners or customers, or by companies with established reputations as providers of such service building blocks. Payment service provision tends to be a competitive business involving fairly large companies (e.g. First Data International, Atos Worldline).

However, the Group considers size a factor of only limited significance, since the payment market is local and divided into separate compartments. For that reason, Ingenico selects the service and solution bricks best suited to each specific market structure and to the makeup and positioning of its customer base.

Although the acquisition of easycash enhanced its Group position in the German payment service, and although Ingenico boasts a global service platform and has obtained value-added service capabilities through recent acquisitions (Payzone, TransferTo and First Data Ibérica), the Group may still be unable to achieve sufficient credibility as a payment service provider. In such a case, its business, financial condition and ability to meet its objectives could be adversely affected.

Legal risk

Regulatory risk

The regulatory environment is constantly changing. Because the products designed and delivered by Ingenico may be impacted by those changes, it is important to anticipate them to avert the risk that the sale of its products will no longer be authorized. The Group has accordingly set up a targeted regulatory monitoring unit, assisted by an outside provider, to identify and analyze any proposed laws and regulations that might affect its business in Europe and its other major markets worldwide.

Given the current infatuation with Internet, GSM, WAP and IP-based communication networks, it is entirely possible that new laws and regulations will be introduced to deal with issues of confidentiality, pricing, content and quality of products and services.

Growing concern about these issues as reflected in new law and regulations could conceivably slow down growth in these areas, possibly resulting in lower demand for its products and therefore adversely affecting its business, results of operations, financial condition and ability to meet its objectives.

Risks related to the PCI standard

The security standards established by the PCI SSC (Payment Card Industry – Security Standard Council) are designed to enhance card payment data security by promoting the broadest possible dissemination and implementation of the specific standards relating to the various components of card payment transactions. The main one is the PCI-PED standard (recently renamed PCI-PTS) on PIN entry (Payment Card Industry – PIN Entry Device). The aim is to guarantee that the cardholder's PIN is always processed in a fully secure fashion by the PIN entry device and ensures the highest level of payment transaction security. Other PCI SSC standards have come into force, such as the PCI DSS (designed to enhance payment account data security) and the PCI UPT (relating to security requirements for unattended payment terminals).

Updates to these standards involving changes to existing requirements are managed by the founding members of the PCI-SSC – Visa, MasterCard, JCB, American Express and Discover – who confer with stakeholders from across the electronic payment industry (e.g. hardware manufacturers, regulators, merchants, banking associations, banks, transaction processors). This separate organization offers manufacturers the opportunity to take part in shaping the standards and the rules for applying them. Ingenico is a "participating organization" in the PCI Security Standards Council and as such has a say in defining specifications to ensure that any such standards remain valid for a minimum of three years. Ingenico product development teams take these standards into account right from the initial design stage.

Whenever these standards are modified, changes have to be made not only in the software kernel managing security components, but also in the actual hardware. The implications for Ingenico in terms of investment may therefore be quite significant.

Ingenico takes all the necessary financial and engineering steps to bring its new payment terminals into compliance with the latest 2.0 version of PCI POS PED, which imposed stiffer requirements on magnetic stripe security and PIN protection. All new products must be in compliance with the 2.0 version, which came into force in March 2008.

Although the certification process is extremely robust, there is a risk that once in use, specific products might reveal defects that could subsequently lead the PCI to challenge their certification.

As a provider of payment solutions, particularly centralized payments solutions deployed in large-scale retail, Ingenico must also comply with the new PCI SSC standard entitled PCI DSS (Payment Card Industry – Data Security Standard). The aim of the PCI DSS is to ensure that stored cardholder data and sensitive transaction data are always processed in a fully secure manner by systems and data bases. The new standard is compulsory for all systems that handle, store or route such data, whether the payment was made by chip card or not.

Like PCI PED, this standard entails making changes in the architecture of data processing systems, networks and servers. For Ingenico, such changes require substantial investment.

In 2009, Ingenico invested heavily in achieving PCI DSS compliance and succeeded in obtaining certification.

Ingenico maintains an ongoing relationship with the PCI SSC to ensure that the Group can address all aspects of current and forthcoming standards in the best possible conditions, including its ability to anticipate trends and prepare for future investments and corrective expenditures. Despite this close relationship, Ingenico might not have all the information required to be able to avoid fraud or tampering with its certified payment terminals and solutions. Such occurrences could damage its reputation in a way that could affect market performance.

Risks related to SEPA

SEPA, the Single Euro Payments Area, is a project whose purpose is to create a single set of euro payment instruments (credit transfers, direct debits and card payments) so that citizens can make cross-border payments in euros on the same terms anywhere in Europe. The area encompasses the European Union member states, plus Iceland, Liechtenstein, Norway, Switzerland and Monaco.

In November 2009, the E.U. Payment Services Directive (PSD) came into force. The PSD sets the necessary legal basis for creating a Single Euro Payments Area and further aims to ensure that the same payment rules apply to all payment services across the European Union. The Directive is also meant to open the payment market to competition, above all by creating a new category called Payment Institutions, i.e. non-bank payment providers entitled to enter the payment ecosystem. These Payment Institutions now have the same right as conventional credit institutions to distribute and execute payment services, with the exception of services such as collecting funds from the public, issuing loans (for terms greater than 12 months) and managing means of payment other than payment services. In December 2010, the European Commission proposed setting a cutoff date for completion of the migration process for SEPA Credit Transfers and Direct Debits that would represent a challenge to existing national debit systems, including Germany's ELV, and that might eventually affect the operations of easycash.

At the same time, the SEPA project began with the technical standardization of payment instruments performed by the EPC (European Payments Council, a body representing European banks created at the initiative of the European Central Bank). The aim of this process is to set new business rules and standards for SEPA payment services, which are ultimately meant to supplant the corresponding national means of payment. The EPC recently established the SEPA Credit Transfer and SEPA Direct Debit schemes, and is scheduled to finalize the framework and technical standards that apply to SEPA card payments by the end of 2011.

Fully cognizant of the issues at stake, Ingenico actively participates in the various technical standardization groups and standards validation bodies that set SEPA Compliance Requirements for card-terminal, terminal-acquirer and acquirer-issuer interfaces, as well as with respect to card and terminal security and certification. The Group is also a member of many European organizations, including the Cards Stakeholder Group, the EPC's advisory body responsible for validating future SEPA technical standards and setting the deployment timeline.

On balance, the Group considers the creation of a single domestic market in Europe more of an opportunity than a risk. While SEPA will undoubtedly lead to the gradual removal of barriers to entry as certifications are harmonized across the SEPA area, it also offers us the opportunity to bolster its strategy and respond to the main expectations of transaction acquirers and merchants. What they want are innovative, integrated, end-to-end, cross-border payment solutions and services that meet both current and future harmonization requirements for payment instruments. Due to its presence in the SEPA countries and its integrated, comprehensive, cross-border payment solutions, Ingenico believes that it is well equipped to take up that challenge. To better leverage the momentum created by the emergence of SEPA, the Group added a new SEPA region to its organizational structure in 2010.

Risks related to the protection of personal data

As service providers, a number of Group entities are required to file statements with the national bodies in charge of protecting the identity, privacy and liberties of individuals in the digital world (in France, the CNIL). They undertake in those statements to manage and store all personal data to which they have access in strict compliance with legal standards.

In 2010, the data protection authorities for Hamburg and North Rhine-Westphalia in Germany filed suit against easycash for breach of its personal data protection obligations. To date, those claims have not been ruled valid. Any such claim for failure to protect personal data could prove detrimental to the Group's reputation and adversely affect its results of operations, financial condition and ability to meet its objectives. If such claims were upheld in court, Ingenico might be faced with civil and/or criminal proceedings.

Risks related to claims from third parties

Were a third party to deem that the Group's technology or products infringe upon its rights, preventing us from obtaining the licenses required to use this technology, Ingenico might be prohibited from using the technology or selling those products. In the case of such a legal claim, it could be confronted with significant costs, production delays or even be forced to redesign its products. Any one of these developments could adversely affect its business, results of operations, financial condition and ability to meet its objectives.

To ensure that the rights of third parties are safeguarded, Ingenico conducts research on existing intellectual property and keeps a close watch over its portfolio. Ingenico also works with patent lawyers to keep abreast of any possible infringement complaints and legal disputes that might arise from them. Recently, companies known as "patent trolls" have sprung up in the United States and France. Ingenico has set up a special unit to monitor this trend. In both the United States and France, a law firm specializing in intellectual property rights defends the Group against such improper practices.

Based on the risk analysis performed by Ingenico and in accordance with the applicable accounting standards, the only provisions recognized at year-end were to cover the attorneys' fees related to some of the patent claims filed.

Market and equity risk

A detailed analysis of market risk (interest and exchange rate, liquidity and equity risk) can be found in Note 4 of the Notes to the Consolidated Financial Statements for the year ended December 31, 2010.

Ingenico has performed a separate review of its liquidity risk and deems that it has the means to meet its future obligations.

Exceptional facts and legal disputes

Tax dispute in Brazil

As mentioned in the Note 27 to Notes to the Financial Statements for the year ended December 31, 2010, tax assessment procedures are in progress in respect of a Brazilian subsidiary. One matter concerns the service tax (ISS). The more important issue relates to the ICMS tax, where the amount in question is approximately € 79.3 million as of December 31, 2010 (covering 2004 – 2009, for principal, interest and penalties). The assessment is being made in the context of the 'Tax War' which is being waged among the Brazilian states, with a potential impact on Ingenico and a large number of foreign and domestic enterprises. The tax authority of the State of Sao Paulo is contesting the deduction by Ingenico Do Brasil of a portion of the ICMS on the sales invoices of a supplier, on the grounds that the supplier had obtained a tax concession granted by the State of Minas Gerais in which he operates, but which does not comply with federal law. The company, advised by experts, considers that there are strong grounds for contesting those of the authorities. No provision has been recognized in the consolidated financial statements at December 31, 2010, except for legal costs, following an analysis of the risks involved in the light of the criteria set out in IFRS 37.

As of December 31, 2010, the company had been notified of a number of assessments concerning both the ISS, for 2003 – 2007, and the ICMS, for 2004 - 2009. All the assessments are being contested by the company. Some have been canceled by administrative decisions. In respect of the assessments still in progress, no payment demand had been received at December 31, 2010.

Commercial disputes

In one commercial dispute, the company Bull s.r.o. sued Ingenico S.A., its Czech subsidiary and the chief executive officer of the subsidiary in the Prague Municipal Court for unfair competition, claiming approximately €3.7m in damages, additional compensation of approximately €1 million and a formal apology published in a local daily newspaper. To cover the claim for damages to which Bull s.r.o. believes it is entitled, the Group recognized a provision for a total of €1 million, divided between Ingenico S.A. and Ingenico CZ s.r.o.

Other disputes

In 2010, there was no noticeable change in the disputes pertaining to Mr. Bonnemoy as described in the 2009 Registration Document. These disputes, based on an allegedly abusive contract termination and the use made of a liability guarantee, were ongoing in 2010.

To the best of the company's knowledge, in the 12-month period preceding December 31, 2010, there were no governmental, legal or arbitration proceedings (including any proceedings of which the Group is informed, which are in abeyance or with which the Group is threatened) other than the proceedings listed above that could have, or have recently had, a material impact on the Group's financial condition and margins.

Conclusion

At the December 31, 2010 reporting date, Ingenico recognized provisions for litigation and claims totaling €5.9 million, broken down as follows:

- €0.3 million for various tax claims
- €1.1 million for claims in France's Industrial Tribunals (Prud'hommes).
- €1 million for the Bull dispute described above.
- €3.5 million for other disputes, chiefly commercial in nature.

Insurance

The Group policy is to purchase insurance from outside carriers to cover insurable risks to the Group and its personnel at reasonable rates. We believe that the kinds of risks covered by its insurance policies are consistent with standard industry practice.

Ingenico's Group-wide insurance program, including commercial property and casualty insurance and MAT insurance, is coordinated by Marsh, one of the world's leading insurance brokers. This program was renewed for 2009 on virtually the same terms and conditions as in 2008, but adjusted to reflect the Group's changed scope of consolidation. The result is an integrated program that provides the same basic coverage to all subsidiaries. Moreover, any newly created subsidiary or company joining the Group is immediately covered by this Group-wide insurance plan. Ingenico does not have separate insurance coverage for the risk of illness, resignation and death of its key executives.

The program operates on two levels:

- At the corporate level, there are worldwide insurance programs to cover the Group's main exposures.

- At the local level, the subsidiaries have taken out insurance to comply with their local regulatory obligations as well as coverage supplementing Group-wide insurance programs to cover their specific exposures.

The credit rating of the insurer is a key factor in the Group's choice of carrier.

The Group's cost of coverage in 2010 was €1.240 million, with premiums accounting for €1.1 million.

In 2010, the breakdown of the Group's master insurance policies by major risk category was as follows:

- Commercial casualty insurance: €435,000.

- Commercial property and business loss insurance: €293,000.

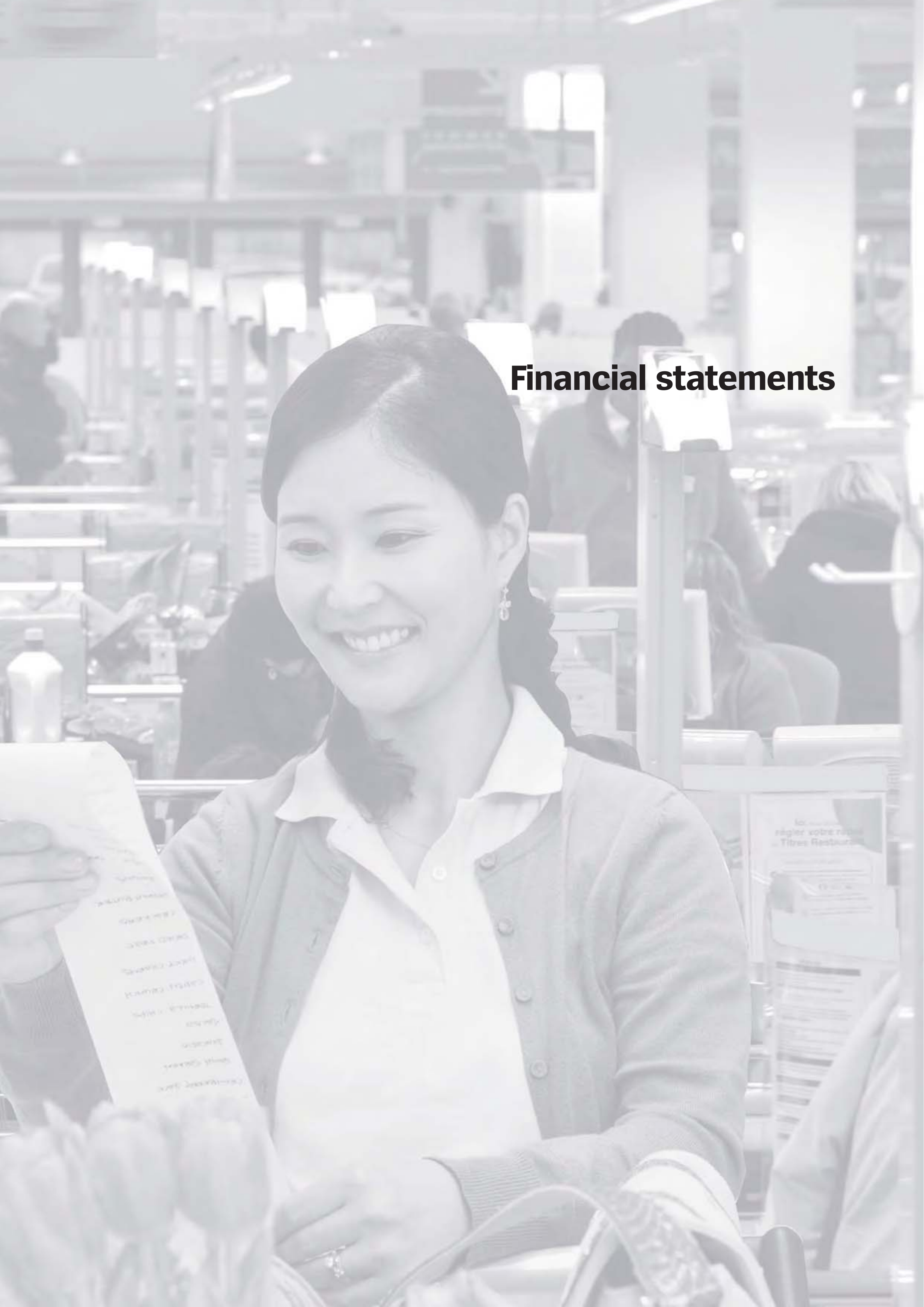
- MAT insurance: €192,000.

- Directors and Officers liability coverage: €36,000.

In addition to these amounts, the Group and its subsidiaries pay for local insurance programs that comply with the legal and regulatory requirements in each country.

In 2010, Ingenico launched a request for proposals from insurance brokers that resulted in the selection of AON, the world's number two insurance broker. AON will be managing the Group's insurance portfolio as of January 1, 2011. The Group is handling coordination between Marsh and AON to ensure continuity of coverage during the transfer phase.

Financial statements



CONSOLIDATED FINANCIAL STATEMENTS

In compliance with Article 28 of Regulation (EC) no. 809/2004 of April 29, 2004, the following information is incorporated by reference into the Registration Document (Document de Référence):

- the consolidated financial statements for the year ended December 31, 2009 and the related statutory auditors' report, as presented in the Document de Référence (pages 36 to 108) filed with the 'Autorité des marchés financiers' on April 8, 2010 under the reference no. D.10-0229; and
- the consolidated financial statements for the year ended December 31, 2008 and the related statutory auditors' report, as presented in the Document de Référence for the year ended December 31, 2008 (pages 166 to 242) filed with the 'Autorité des marchés financiers' on April 22, 2009 under the reference no. D.09-0297

I. Consolidated income statements

For the years ended December 31, 2008, 2009 and 2010

(in thousands of euros)	Notes	2008	2009	2010
REVENUE	7	**728,017**	**700,684**	**907,020**
Cost of sales		(456,358)	(429,780)	(540,885)
GROSS PROFIT	7	**271,659**	**270,904**	**366,135**
Distribution and marketing costs		(59,012)	(55,133)	(85,236)
Research and development expenses		(61,828)	(75,639)	(84,247)
Administrative expenses		(78,838)	(79,298)	(99,761)
PROFIT FROM ORDINARY ACTIVITIES		**71,981**	**60,835**	**96,891**
Other operating income	9	10,239	736	10,366
Other operating expenses	9	(24,710)	(14,123)	(33,487)
PROFIT FROM OPERATING ACTIVITIES		**57,510**	**47,448**	**73,770**
Finance income	10	45,090	37,224	59,738
Finance costs	10	(52,536)	(39,428)	(69,532)
NET FINANCE COSTS		**(7,446)**	**(2,204)**	**(9,794)**
Share of profit of equity-accounted investees	14	-	(283)	(1,671)
PROFIT BEFORE INCOME TAX		**50,064**	**44,961**	**62,305**
Income tax expense	11	(13,382)	(18,121)	(22,715)
PROFIT FOR THE PERIOD		**36,682**	**26,840**	**39,589**
Attributable to:				
• owners of Ingenico S.A.		36,683	26,840	39,575
• non-controlling interests		(1)	-	14
EARNINGS PER SHARE (in euros)	23			
Net earnings				
• Basic earnings per share		0.83	0.58	0.81
• Diluted earnings per share		0.82	0.56	0.80

II. Consolidated statements of comprehensive income

For the years ended December 31, 2008, 2009 and 2010

(in thousands of euros)	Notes	2008	2009	2010
PROFIT FOR THE PERIOD ATTRIBUTABLE TO INGENICO S.A. SHAREHOLDERS		36,683	26,840	39,575
Translation differences		(11,108)	4,682	17,214
Remeasurement of derivative hedging instruments at fair value [1]		(181)	2,528	(705)
Remeasurement of available-for-sale financial assets at fair value [2]	9	489		
Actuarial gains/(losses) on defined benefit plans [3]	26	1,795	(3,426)	1,706
Share of gains/(losses) of associates recognized directly in equity		-	2	-
Taxes Income tax on gains/(losses) recognized directly in equity [4]		(369)	33	(354)
TOTAL GAINS/(LOSSES) RECOGNIZED DIRECTLY IN EQUITY AND ATTRIBUTABLE TO INGENICO S.A. SHAREHOLDERS		(9,373)	3,820	17,862
Total comprehensive income attributable to Ingenico S.A. shareholders		27,311	30,660	57,437
Total comprehensive income attributable to non-controlling interests		(1)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		27,310	30,660	57,437

2010

[1] The portion of the gains or losses on the interest rate cap on a bank loan and on foreign exchange forward contracts used to hedge cash flows that is determined to be an effective hedge is recognized directly in equity.

[3] As allowed by the revised version of IAS 19, actuarial gains or losses on long-term employee benefit obligations are recognized in consolidated equity.

[4] Breakdown of income tax recognized in equity:
- Taxes on translation differences: -111 k€
- Taxes on gains or losses on hedging instruments: 243 k€
- Taxes on actuarial gains or losses on defined benefits plans: -486 k€

2009

[1] The portion of the gains or losses on the interest rate cap on a bank loan and on foreign exchange forward contracts used to hedge cash flows that is determined to be an effective hedge is recognized directly in equity.

[2] No change in the fair value of available–for-sale assets had been recognized, as the financial assets concerned were disposed of during the period.

[3] As allowed by the revised version of IAS 19, actuarial gains or losses on long-term employee benefit obligations are recognized in consolidated equity.

[4] Breakdown of income tax recognized in equity:
- Taxes on translation differences: -90 k€
- Taxes on gains or losses on hedging instruments: -870 k€
- Taxes on actuarial gains or losses on defined benefits plans: 993 k€

2008

[1] The portion of the gains or losses on the interest rate swap on a bank loan and on foreign exchange forward contracts used to hedge cash flows that is determined to be an effective hedge is recognized directly in equity.

[2] The impairment loss on available-for-sale financial assets, previously recognized in equity, was reclassified to profit or loss in 2008. The cumulative impairment loss recognized in profit or loss for the period accordingly amounts to €6,414,000.

[3] As allowed by the revised version of IAS 19, actuarial gains or losses on long-term employee benefit obligations are recognized in consolidated equity.

[4] Breakdown of income tax recognized in equity:
- Taxes on translation differences: 239 k€
- Taxes on gains or losses on hedging instruments: 63 k€
- Taxes on gains or losses on available-for-sale financial assets: -168 k€
- Taxes on actuarial gains or losses on defined benefits plans: -502 k€

III. Consolidated balance sheets

For the years ended December 31, 2008, 2009 and 2010

ASSETS

(in thousands of euros)	Notes	2008	2009	2010
NON-CURRENT ASSETS				
Goodwill	12	221,437	414,228	466,260
Other intangible assets	12	103,257	166,549	156,810
Property, plant and equipment	13	25,361	33,075	31,275
Investments in equity-accounted investees	14	-	6,787	21,116
Financial assets	15	3,265	3,567	4,561
Deferred tax assets	11	20,631	23,341	22,883
Other non-current assets	16	1,030	14,730	20,460
TOTAL NON-CURRENT ASSETS		**374,979**	**662,277**	**723,365**
CURRENT ASSETS				
Inventories	17	77,211	74,230	105,497
Trade and related receivables	18	177,390	225,327	254,123
Other current assets	20	3,577	5,825	7,440
Current tax assets	20	8,602	9,456	10,582
Derivative financial instruments	25	162	3,433	3,461
Other investments	24	2,847	-	-
Cash and cash equivalents	24	142,770	91,205	158,937
Assets classified as held for sale	21	-	-	-
TOTAL CURRENT ASSETS		**412,560**	**409,475**	**540,040**
TOTAL ASSETS		**787,539**	**1,071,752**	**1,263,405**

EQUITY AND LIABILITIES (in thousands of euros)		2008	2009	2010
Share capital		47,793	48,638	51,512
Share premium account		371,538	380,320	382,517
Retained earnings and other reserves		44,000	67,677	97,250
Translation reserve		(8,229)	(3,547)	14,288
EQUITY ATTRIBUTABLE TO INGENICO S.A. SHAREHOLDERS	**22**	**455,102**	**493,088**	**545,567**
NON-CONTROLLING INTERESTS		-	-	-
TOTAL EQUITY		**455,102**	**493,088**	**545,567**
NON-CURRENT LIABILITIES				
Long-term loans and borrowings	24	61,018	215,370	228,775
Provisions for retirement benefit obligations	26	4,776	10,415	8,650
Other provisions	27	10,645	13,013	20,109
Deferred tax liabilities	11	24,216	43,289	39,123
Other non-current liabilities	28	4,827	10,385	15,531
TOTAL NON-CURRENT LIABILITIES		**105,482**	**292,472**	**312,188**
CURRENT LIABILITIES				
Short-term loans and borrowings	24	7,149	20,275	39,228
Other provisions	27	10,310	12,068	14,030
Trade and related payables	29	153,960	188,162	267,730
Other current liabilities	31	47,880	47,758	73,813
Current tax liabilities	30	5,184	17,124	8,633
Derivative financial instruments	25	2,472	806	2,216
Liabilities classified as held for sale	21	-	-	-
TOTAL CURRENT LIABILITIES		**226,955**	**286,193**	**405,650**
TOTAL LIABILITIES		**332,437**	**578,665**	**717,838**
TOTAL EQUITY AND LIABILITIES		**787,539**	**1,071,752**	**1,263,405**

IV. Consolidated cash flow statements

For the years ended December 31, 2008, 2009 and 2010

(in thousands of euros)	2008	2009	2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year	36,682	26,840	39,589
Adjustments for:			
• Share of profits of equity-accounted investees	-	283	1,671
• Income tax expense / (income)	13,382	18,121	22,715
• Depreciation, amortization and provisions	32,956	41,104	84,769
• Change in fair value	1,124	(3,076)	2,787
• Gains / (losses) on disposal of assets	1,605	1,106	(8,490)
• Net interest costs	854	322	9,241
• Dividend income	-	-	-
• Share-based payment expense	8,539	6,663	5,611
• Interest paid	(4,399)	(3,836)	(12,106)
• Income tax paid	(24,632)	(12,733)	(38,763)
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE CHANGE IN NET WORKING CAPITAL	**66,111**	**74,794**	**107,024**
Change in working capital			
• Inventories	979	2,578	(22,902)
• Trade and other receivables	16,173	(15,808)	(13,338)
• Trade and other payables	7,544	11,437	52,410
CHANGE IN NET WORKING CAPITAL	**24,696**	**(1,794)**	**16,170**
NET CASH FROM OPERATING ACTIVITIES	**90,808**	**73,000**	**123,194**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of non-current assets	(21,752)	(23,161)	(24,085)
Proceeds from sale of non-current assets	429	131	879
Acquisition of subsidiaries, net of cash acquired	(336)	(165,778)	(57,993)
Disposal of subsidiaries, net of cash disposed of	0	27,752	2,653
Short-term investments	11,180	4,716	(524)
Loans and advances granted	(2,273)	(778)	(665)
Loan repayments received	576	2,582	650
Interest received	1,748	3,834	3,245
Dividends received	-	-	-
Changes in short-term investments	(1,333)	-	-
NET CASH FLOW FROM (USED IN) INVESTING ACTIVITIES	**(11,761)**	**(150,702)**	**(75,840)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share capital issues	1,210	2,133	4,895
Purchase/(sale) of own shares	(24,524)	2,088	(5,859)
Proceeds from loans and borrowings	63,153	210,741	34,257
Repayment of loans and borrowings	(35,378)	(190,995)	(5,934)
Changes in other financial liabilities	-	(3,648)	-
Changes in the fair value of hedging instruments	441	(1,566)	-
Dividends paid	(10,771)	(4,310)	(9,404)
NET CASH FLOW USED IN FINANCING ACTIVITIES	**(5,868)**	**14,442**	**17,955**
Effect of exchange rates fluctuations	(1,100)	(508)	3,819
OCEANE bond buybacks – equity component	(3,062)	-	-
Financial asset reclassified to cash equivalents	-	1,083	-
CHANGE IN CASH AND CASH EQUIVALENTS	**69,016**	**(62,684)**	**69,128**
Cash and cash equivalents at beginning of the year	70,096	139,112	76,430
Cash and cash equivalents at year end (1)	139,112	76,430	145,557

Comments:	2,008	2,009	2,010
(1) CASH AND CASH EQUIVALENTS			
UCITS (only portion classified as cash)	98,286	24,635	22,712
Cash on hand	44,485	66,570	136,225
Bank overdrafts (included in short-term borrowings)	(3,658)	(14,775)	(13,380)
TOTAL CASH AND CASH EQUIVALENTS	139,112	76,430	145,557
UCITS (portion classified as other investments) designated as at fair value through profit or loss	1,083	-	-
Available-for-sale assets	1,763	-	-
TOTAL CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS	141,960	76,430	145,557

V. Consolidated statements of changes in equity

For the years ended December 31, 2008, 2009 and 2010

(in thousands of euros)	Share capital	Issue and contribution premiums	Translation reserve	Effective portion of hedging instruments	Treasury shares	Retained earnings and other reserves	Total equity attributable to Ingenico S.A. shareholders	Minority interests	Total equity
BALANCE AT JANUARY 1, 2008	32,931	123,581	2,878	(858)	(10,823)	48,168	195,877	47	195,924
Dividends paid to shareholders (1)						(10,771)	(10,771)		(10,771)
Treasury shares (3)					(24,331)	(1,249)	(25,580)		(25,580)
Share-based payments and exercise of stock options (4)	135	1,304			7,634	905	9,978		9,978
Buyback of OCEANE bonds – equity component (5)						(3,061)	(3,061)		(3,061)
Conversion of OCEANE bonds – equity component (5)	4,063	54,983			223		59,270		59,270
Sagem Monetel capital increase (6)	10,663	191,670					202,333		202,333
Total gains/(losses) recognized for the period			(11,108)	(118)		38,536	27,310	(2)	27,308
Other						(254)	(254)	(45)	(299)
BALANCE AT DECEMBER 31, 2008	47,793	371,538	(8,230)	(976)	(27,297)	72,273	455,102	-	455,101
Dividends paid to shareholders (1)						(4,310)	(4,310)		(4,310)
Stock dividends paid to shareholders (2)	597	6,654				(7,251)			-
Treasury shares (3)					2,141	(37)	2,104		2,104
Share-based payments and exercise of stock options (4)	248	2,408				6,877	9,533		9,533
Total gains/(losses) recognized for the period			4,683	1,658		24,320	30,660		30,660
Other		(280)				280			-
BALANCE AT DECEMBER 31, 2009	48,638	380,320	(3,547)	681	(25,156)	92,152	493,088	-	493,088
Dividends paid to shareholders (1)						(9,404)	(9,404)		(9,404)
Stock dividends paid to shareholders (2)	290	4,601				(4,891)			-
Treasury shares (3)					6,203	(12,425)	(6,222)		(6,222)
Share-based payments and exercise of stock options (4)	217	1,858				6,179	8,254		8,254
Reduction of capital (5)	(250)	(4,059)			4,309				-
Increase in capital reserved to employees (5)	172	2,241					2,414		2,414
Increase in capital – free shares (5)	2,445	(2,445)							-
Total gains/(losses) recognized for the period			17,214	(462)		40,685	57,437		57,437
Other			623			(623)			-
BALANCE AT DECEMBER 31, 2010	51,512	382,516	14,290	219	(14,644)	111,672	545,567	-	545,567

2010: (1) Cash dividend paid on June 15, 2010. (2) Stock dividend through capitalization of reserves and issuance of 290.272 new shares. (3) At January 1, 2010, the Company held 1.361.958 treasury shares. At December 31, 2010, the Company held 875.443 treasury shares bought back by virtue of authorizations granted at shareholders' meetings. (4) Share-based payments: • The increase in retained earnings and other reserves reflects fair value adjustments to stock options and free share awards recognized each year in administrative expenses and other operating income and expenses. • The increase in share capital and issue and contribution premiums reflects the exercise of stock options. (5) Refer to note 22 "total equity".

2009: (1) Cash dividend paid on June 17, 2009. Cash and stock dividends paid on the basis of €0.25 per share. (2) Stock dividend through capitalization of reserves and issuance of 597,274 new shares. (3) At January 1, 2009, the Company held 1,624,290 treasury shares. At December 31, 2009, the Company held 1,361,958 treasury shares bought back by virtue of authorizations granted at shareholders' meetings. (4) Share-based payments: • The increase in retained earnings and other reserves reflects fair value adjustments to stock options and free share awards recognized each year in administrative expenses as part of profit from ordinary activities, including €211,000 in deferred tax assets. • The increase in share capital and issue and contribution premiums reflects the exercise of stock options.

2008: (1) Dividend paid on May 27, 2008. (3) Treasury shares decreased as a result of retirement of treasury shares held by the Company. At January 1, 2008, the Company held 634,332 treasury shares. At December 31, 2008, the Company held 1,624,290 treasury shares bought back by virtue of authorizations granted at shareholders' meetings. At December 31, 2008, the Company held 1,624,290 treasury shares bought back by virtue of authorizations granted at shareholders' meetings. (4) Share-based payments: • The increase in retained earnings and other reserves reflects fair value adjustments to stock options and free share awards recognized each year in administrative expenses and other operating income and expenses. • The increase in share capital and issue and contribution premiums reflects the exercise of stock options. (5) Changes in equity resulting from the buyback (January 2008) and conversion (February 12, 2008) of OCEANE bonds. 4,063,236 shares were issued in connection with the conversion. (6) Capital increase in connection with the acquisition of Sagem Payment Terminals on March 14, 2008. The acquisition was carried out through an exchange of shares, with 10,663,046 new shares being issued. After allocation of issue expenses totaling €265,000, the issue premium amounted to €191,670,000.

Index of notes to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. The company

The accompanying consolidated financial statements present the operations and financial position of the company Ingenico and its subsidiaries (together referred to as “the Group”), as well as the Group’s share of profit or loss of associated companies and joint ventures. Ingenico is a company incorporated under French law whose securities are traded on a regulated market, with its registered office in Neuilly-sur-Seine.

The consolidated financial statements were authorized for by the Board of Directors on February 25, 2011. They will be submitted for approval by the shareholders at their Annual Shareholders’ Meeting of April 28, 2011.

2. Accounting principles and methods

The consolidated financial statements for the year ended December 31, 2010 were drawn up in accordance with IFRS (International Financial Reporting Standards), as adopted by the European Union as at December 31, 2010.

The new standards, amendments and interpretations in effect at January 1, 2010 and which concern the Group are as follows:

- Revised IFRS 3 « Business combinations »,
- Amended IAS 27 « Consolidated and Separate Financial Statements »,
- An amendment to IFRS 2 « Group Cash-settled Share-based Payment Transactions »,
- Amendments to IFRIC 9 and IAS 39 « Embedded Derivatives »,
- An amendment to IAS 39 « Qualifying Hedged Items »
- IFRIC 16 «Hedges of a Net Investment in a Foreign Operation »,
- IFRIC 17 « Distributions of Non-cash assets to Owners »,
- IFRIC 18 « Transfers of Assets from Customers »,
- Improvements to IFRSs issued in 2010.

Since January 1, 2010, the Group applies revised IFRS 3 and amended IAS 27 in respect of business combinations and acquisitions of non-controlling interests. The change of accounting method has been applied prospectively; in respect of acquisitions made on or after January 1, 2010. This has resulted in transaction costs being recognized in profit and loss, in other operating expenses. Furthermore, the remeasurement to fair value of an interest which the Group already held prior to obtaining control is also recognized in other operating income or expenses.

The adoption of the other 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 adopted by the IASB or the IFRIC (International Financial Reporting Interpretations Committee) and by the European Union as at December 31, 2010, but which are not yet mandatory:

- IAS 24 « Related Party Disclosures »,
- An amendment to IAS 32 « Classification of Rights Issues »,
- An amendment to IFRIC 19 « Extinguishing Financial Liabilities with Equity Instruments ».
- An amendment to IFRIC 14« Defined Benefit Asset, Minimum Funding Requirements and their Interaction »
- An amendment to IFRS 1« Limited Exemption to Comparative Disclosures under IFRS 7 ».

In preparing these consolidated financial statements, the Group did not apply in advance the following standards, amendments and interpretations adopted by the IASB or the IFRIC but not yet adopted by the European Union as at December 31, 2010:

- IFRS 9 «Financial Instruments » (phase 1: Classification and Measurement of Financial Assets),
- Annual Improvements to IFRSs, issued in May 2010.

Their adoption at a subsequent date is not expected to have a significant impact on the consolidated financial statements of the Group.

Basis of preparation

The financial statements are presented in euros, rounded to the nearest thousand.

They were prepared on a historical cost basis, except for the following assets and liabilities, stated at fair value: derivative financial instruments and financial instruments held for trading, remeasurement to fair value of assets and liabilities of entities when the Group takes control. Non-current assets and disposal groups classified as held for sale are recognized at the lower of their carrying amount or their fair value less costs to sell.

The preparation of these financial statements requires Group management to make assumptions and estimates affecting the application of the accounting methods, and the reported amounts of assets, liabilities, income and expenses. The estimates take account of economic information which may change in the future and which are uncertain. Such estimates with the most significant effect concern asset impairment tests and the measurement of provisions; the methods and assumptions used in identifying intangible assets acquired as part of business combinations; the determination of the useful lives of intangible assets; the estimation of provisions, especially for litigation; assets and liabilities in the context of finance lease contracts; the assumptions used in recognizing deferred tax assets; and, in respect of revenue recognition, the allocation of revenue in proportion to the value of specific components of a multiple-element agreement; revenue presentation as gross or net in respect of new service activities acquired in 2010.

The accounting methods set forth below were consistently applied to all the reporting periods presented in the consolidated financial statements.

These accounting methods were uniformly applied by all Group entities.

Principles of consolidation

Subsidiaries

A subsidiary is an entity controlled by the Company. Control is defined as the power to govern the financial and operating policies of an entity directly or indirectly so as to obtain benefits from its activities.

Potential voting rights that are currently exercisable or convertible are taken into account in assessing control.

The financial statements of all subsidiaries are included in the consolidated financial statements from the date at which the Company gains control until the date at which this control ceases.

Associates

An associate is an entity over whose financial and operating policies the Company has significant influence, without having control. The consolidated financial statements include the Group's share of the total profit or loss of all associates, using the equity method, from the date at which the Company gains significant influence until the date at which this influence ceases.

If the Group's share of the losses of an associate exceeds the carrying amount of its equity investment in the associate, the carrying amount is reduced to nil, and the Group ceases to recognize its share of any subsequent losses, unless the Group has a legal or implicit obligation to share in the associate's losses or make payments on behalf of the associate.

Jointly controlled operations

A jointly controlled operation is a joint venture operated by the Group and one or more other parties under the terms of a contractual agreement. As allowed by IAS 31, Ingenico has opted to account for such entities using the equity method.

Transactions eliminated in the consolidated financial statements

Intragroup balances, intragroup unrealized gains or losses, and income and expenses arising on intragroup transactions are eliminated in full in the consolidated financial statements.

Unrealized gains on transactions with associates are eliminated to the extent of the Group's investment in the associate. Unrealized losses are eliminated in the same manner, except when they represent impairment losses.

Transactions in foreign currency

Revenues and expenses denominated in foreign currency are translated at the euro equivalent on the date of transaction. Foreign currency monetary assets and liabilities are translated at closing exchange rates. Any resulting unrealized exchange gains or losses are reported in profit or loss for the period. Non-monetary assets and liabilities denominated in foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Translation of financial statements

The consolidated financial statements are presented in euros. Assets and liabilities of foreign subsidiaries, including goodwill and fair value adjustments arising on consolidation in the case of acquisitions subsequent to January 1, 2004, are translated into euros at the exchange rate on the reporting date, except for shareholders' equity, which is stated at historical rates. Income and expenses of foreign operations are translated into euros at the average rates for the period, except in cases of major fluctuations. All resulting exchange differences are recognized as a separate component of equity known as "Translation reserve".

The translation rates for the main currencies used by the Group in 2008, 2009 and 2010 are as follows:

Closing rate	2008	2009	2010
U.S. Dollar	1.3917	1.4406	1.3362
Canadian Dollar	1.6998	1.5128	1.3322
Australian Dollar	2.0274	1.6008	1.3136
British Pound	0.9525	0.8881	0.8608
Brazilian Real	3.2436	2.5113	2.2177
Chinese Yuan	9.4956	9.8350	8.8220

Average rate	2008	2009	2010
U.S. Dollar	1.4706	1.3933	1.3268
Canadian Dollar	1.5593	1.5852	1.3665
Australian Dollar	1.7416	1.7749	1.4442
British Pound	0.7965	0.8910	0.8582
Brazilian Real	2.6745	2.7706	2.3344
Chinese Yuan	10.22471	9.5174	8.9805

Hedging

Cash flow hedges

When a derivative financial instrument is designated as a hedging instrument whose cash flows are expected to offset changes in the cash flows of an asset or liability or a highly probable forecast transaction, the effective portion of any gain or loss on the derivative financial instrument is recognized directly in equity. The ineffective portion of any gain or loss is recognized in profit or loss for the period.

Any hedging relationship must be highly effective at the outset and during the entire period of the hedging relationship. Changes in the hedging instrument and the hedged item must offset each other.

The hedging instrument is deemed to be highly effective when it is within a range of 80 percent to 125 percent on a cumulative basis. At each reporting date, effectiveness is assessed.

Hedge ineffectiveness, recognized in the Group's profit or loss, mainly results from:

- Interest rate differentials between the hedging instrument's reference currency and the euro over the hedge period (in forward points).

- Differentials between the notional amount of the hedging instrument and the notional or principal amount of the hedged item.

- Differentials between residual maturities or dates on which interest rates are reset for the hedging instrument and the hedged item.

Even in the case of hedging relationships that are "highly effective", the impact of any hedge ineffectiveness is recognized in profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or liability, or if a forecast transaction involving a non-financial asset or liability becomes a firm commitment measured at fair value, the associated cumulative gain or loss recognized in equity is removed and included in the initial cost or any other carrying amount of the non-financial asset or liability. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or liability, the associated gains or losses that were recognized directly in equity are reclassified to profit or loss for the same period or periods during which the asset or liability affects profit or loss. When the hedging instrument expires or is sold, terminated or exercised, or when the Group revokes the designation as a hedging relationship, but still expects the forecast transaction to occur, the cumulative gain or loss at that date remains in equity and is recognized when the transaction occurs, using the method previously described. When the Group no longer expects the hedged transaction to occur, the unrealized cumulative gain or loss that was recognized in equity is immediately recognized in profit or loss.

Hedge of monetary items

When a derivative financial instrument is used to cover the foreign currency risk on a recognized monetary asset or liability, hedge accounting is not applied and the gains or losses on the financial instrument are recognized in profit or loss.

Derivative financial instruments

The Group uses derivative financial instruments to hedge its foreign exchange and interest rate exposure arising from its operating, financing and investing activities. Those instruments are initially measured at fair value. Except for in the hedging relationships described above, any gain or loss from remeasuring the instruments at fair value are recognized in profit or loss as financial income or expenses at the reporting date.

The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the reporting date, taking into account current interest rates and the risk of default by the counterparty to the swap. The fair value of forward exchange contracts is their quoted market price at the reporting date, i.e. the present value of the quoted forward price.

The fair value of interest rate options is the present value of the estimated payments that would be received from the counterparty, and is equal to the difference between the strike price and the forward rates over the life of the option.

Property, plant and equipment

Assets owned by the Group

Property, plant, and equipment, including investment property, is stated at cost, less any accumulated depreciation and impairment losses. The cost of a self-constructed asset includes the cost of raw materials and direct labor, along with all other directly attributable costs that are necessary for the asset to be capable of operating in the manner intended by management.

When components of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The replacement cost of a component is capitalized under property, plant and equipment if it is probable that the future economic benefits arising from the asset will flow to the Group and its cost can be reliably measured. All routine maintenance and repair costs are expensed as incurred.

Finance leases

Leases that transfer substantially all the risks and rewards of ownership to the Group are classified as finance leases. This requires a restatement so that the leased property is recognized as an asset at an amount equal to its fair value or, if lower, at the present value of the minimum lease payments, less accumulated depreciation and impairment losses, while the corresponding financial debt is recognized as a liability. The asset is depreciated over the lease term or its estimated useful life, whichever is shorter.

In the course of business, the Group may supply payment terminals to its customers under agreements classified as finance leases (with Ingenico as lessor). Those terminals may be refinanced by the Group under finance leases (with Ingenico as lessee). At the commencement of such leases, the purchase and the sale of the terminals are recorded at the present value of the estimated future lease payments and receipts, and financial asset and liability are recognized. Financial income and expenses are recognized over the lease term. Leases for certain terminals may also include the provision of equipment maintenance and/or payment transaction management services. In such cases, revenue recognition is separated into an equipment component, with revenue recognized upon equipment delivery, and a service component, with recurring revenues recognized on a straight-line basis over the lease term.

Depreciation

Depreciation is computed using the straight-line method over the estimated useful life of each type of item. Land is not depreciated. The estimated useful lives are as follows:

Buildings	30 years
Building improvements	5 - 10 years
Equipment	3 - 4 years
Vehicles	5 years
Dies	4 years
Furniture, fixtures, office and computer equipment	3 - 10 years

Intangible assets

Goodwill

Business combinations are accounted for using the acquisition method at the date of acquisition, which is the date at which control is transferred to the Group.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortized, but is tested annually for impairment, as described in the section on “Impairment of assets”. In respect of associates or jointly controlled operations accounted for using the equity method, the carrying amount of goodwill is included in the carrying amount of the investment in the associate or jointly controlled operation.

Put options over non-controlling interests in Group subsidiaries are recognized as a financial liability for the present value of the exercise price, with an adjustment to goodwill to reflect the difference between the present value and the amount of the derecognized non-controlling interest. The unwinding of the discount is recognized as a financial expense.

The Group applies IFRS 3R Business Combinations and IAS 27R Consolidated and Separate Financial Statements in respect of acquisitions made on or after January 1, 2010.

The principal changes concern:

- business combinations made on or after January 1, 2010

  Business combinations are now recognized as follows:
  - Identifiable assets and liabilities acquired are measured at fair value at the date of acquisition;
  - a non-controlling interest acquired is measured either at fair value or using the equity method (recognizing the Group's share of underlying identifiable net assets).

  Transaction costs are recognized in Other operating expenses as incurred.

  Contingent consideration is measured at fair value at acquisition date. Subsequently, it is remeasured at fair value at each reporting date. After the expiry of one year from the acquisition date, changes in fair value are recognized in profit or loss. During the first year, changes in fair value resulting from circumstances arising after the acquisition date are also recognized in profit or loss. Other changes affect goodwill.

  At the acquisition date, goodwill corresponds to the difference between:
  - the fair value of the consideration transferred, plus the recognized amounts of any non-controlling interests in the acquiree, and, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree, remeasured at the acquisition date (a change being recognized in profit or loss, in other operating income and expenses), and,
  - the net recognized amount of identifiable assets acquired and liabilities assumed at the acquisition date.

- Additional acquisitions of shares after transfer of exclusive control:

  When additional shares are acquired in an entity already under exclusive control, the difference between the acquisition price of the shares and the additional proportionate amount of equity acquired is recognized in equity attributable to shareholders of the parent; the carrying amounts of identifiable assets and liabilities of the subsidiary, including goodwill, are not remeasured.

- Recognition of non-controlling interests:

  Under IAS 27R, acquisitions of non-controlling interests are accounted for as transactions with owners acting in their capacity as owners, and therefore no goodwill is recognized as a result of such transactions. Adjustments for non-controlling interests are determined on the basis of the proportionate share of the net assets of the subsidiary.

- Subsequent changes in the fair value of share purchase commitments (put options)

  Subsequent changes in the fair value of the financial debt that is due to changes in expected future cash flows are recognized in equity.

Accounting for business combinations between January 1, 2004 and January 1, 2010 is unchanged under IFRS.

Goodwill represents the excess of the acquisition price, plus transaction costs, of shares of consolidated entities, and the proportionate share of the Group in the fair value of net assets less contingent liabilities at the date at which control was acquired, after the expiry of a period not exceeding 12 months from the acquisition date during which fair values are measured. When the acquisition price, plus transaction costs, is less than the fair value of identifiable assets and liabilities and contingent liabilities acquired, the difference is immediately recognized in profit or loss.

In the case of share purchase commitments (put options,) subsequent changes in the fair value of the financial debt that is due to changes in expected future cash flows are recognized as a change to goodwill.

Goodwill recognized on a business combination prior to January 1, 2004 is stated at the carrying value at that date, and is no more amortized under IFRS 3 with effect from that date.

Research and development

Research costs are expensed as incurred.

The costs of development activities, i.e. costs related to the application of research findings to a plan or design for the production of new or substantially improved products or processes are capitalized if the Group can demonstrate:

- that the product or process is technically feasible, that it intends to complete it and that it is able to put it into service or to sell it;

- that sufficient technical, financial or other resources are available to complete the development and to put it into service or to sell it;

- that it is able to reliably measure the development costs of the asset and

- that the asset will generate probable future economic advantages (through the existence of a market or a use within the Group).

Such capitalized costs include the cost of materials and direct labor, plus an appropriate share of overhead costs. Other development costs, net of research tax credits and subsidies, are expensed as incurred.

Capitalized development costs are stated at cost less accumulated amortization and impairment losses.

Other intangible assets

Licenses, brand names, customer contracts, software and user rights over which the Group has full ownership, as well as software developed for internal use that has a positive, lasting and measurable impact on future results are capitalized and amortized over their estimated useful lives, unless such lives are indefinite. Other intangible assets are stated at cost less accumulated amortization and impairment losses.

Subsequent expenditure

Subsequent expenditure on intangible assets are only capitalized when it increases the future economic benefits of the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortization

The straight-line method is used to amortize intangible assets over their estimated useful lives, unless such lives are indefinite.

Goodwill, intangible assets under development and intangible assets with indefinite useful lives are not amortized, but are rather tested for impairment as described in the section on “Impairment of assets”. Other intangible assets are amortized from the date they are available for use.

The estimated useful lives are as follows:

Capitalized development costs	3 - 7 years
Licenses	3 years
Customer relationships	5 - 12 years
Other intangible assets	5 years

Trade receivables

Trade and related receivables are recognized initially at fair value and subsequently measured at amortized cost less any impairment losses.

Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs to sell.

The cost of inventories is determined using the weighted average cost method and includes the costs incurred to acquire the inventories and bring them to their existing location and condition.

Other investments

In accordance with IAS 39, financial instruments classified as investments are accounted for based on the category into which they fall. Any unrealized gain or loss arising from the investment is recognized either directly in profit or loss, or temporarily in equity until the instrument is disposed of/ derecognized.

UCITS that do not meet the criteria of IAS 7 are classified as other investments.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits. It also includes UCITS that meet the criteria of IAS 7.

Bank overdrafts repayable on demand, which form an integral part of the Group’s cash management strategy, are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

Impairment of assets

The carrying amounts of the Group's assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication that an asset may be impaired. If such indication exists, the asset's recoverable amount is estimated.

For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each reporting date, or more often if there is any indication of impairment.

An impairment loss is recognized whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss, in other operating expenses. An impairment loss recognized in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then to reduce the carrying amount of the unit's other assets on a pro-rata basis, based on the carrying amount of each asset in the unit.

Calculation of the recoverable amount

Financial assets

The recoverable amount of the Group's held-to-maturity investments and receivables measured at amortized cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate iof the asset.

Non- financial assets

The recoverable amount of all other assets is the greater of their fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to each asset. If an asset does not generate cash inflows that are largely independent, recoverable value is calculated for the cash-generating unit to which the asset belongs.

Impairment losses

A goodwill impairment loss cannot be reversed once it has been recognized.

An impairment loss recognized in respect of other assets can be reversed if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of an asset, increased due to the reversal of an impairment loss, must not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Share capital

Treasury shares

Own shares acquired by Ingenico are classified as treasury shares, and their acquisition cost is deducted from equity.

Dividends

Dividends are recognized as a liability in the period in which they are declared.

Net debt

Net debt is defined as short- and long-term financial liabilities less cash and cash equivalents, short-term investments, as well as derivative instruments to the extent that they relate to items included in net financial liabilities.

Compound financial instruments

Convertible bonds that can be converted into a fixed number of shares at the option of the holder, which does not vary with changes in their fair value, are accounted for as compound financial instruments.

The fair value of the liability classified as long-term debt was calculated using the average market rate for a bond that does not have an equity conversion option. The difference between the nominal value and the fair value of the bond was recognized in equity under “Retained earnings and other reserves”, net of deferred tax.

Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of the issue proceeds. The value of the equity component of convertible bonds is calculated as the issue proceeds less the present value of the future interest and principal payments, discounted at the prevailing market rate for a similar liability that does not have a conversion feature. The interest expense recognized in the income statement is calculated using the effective interest method.

A debt instrument or financial liability represents a contractual obligation:

- to deliver cash or another financial asset to another entity; or
- to exchange financial instruments with another entity under conditions that are potentially unfavorable.

An equity instrument is a contract resulting in a residual interest in an entity after deducting all of its liabilities (net assets).

The shares issued by Ingenico qualify as equity within the meaning of IAS 32 and IFRIC 2, and are accounted for as such in the consolidated financial statements.

Interest-bearing borrowings

Interest-bearing borrowings are recognized initially at fair value less any attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost; any difference between cost and redemption value is recognized in the income statement over the term of the borrowings, using the effective interest method.

Employee benefits

Defined contribution plans

Payments to defined contribution plans are expensed as incurred.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is measured separately for each plan by estimating the amount of future benefits earned by employees in return for services rendered in the current and prior years; this amount is discounted to determine its present value, deducting the fair value of any plan assets. The discount rate applied is the yield at the reporting date on government bonds with terms consistent with those of the Group's obligations. Calculations are performed by independent actuaries using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is expensed using the straight-line method over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in profit or loss.

Ingenico applies the revised version of IAS 19. Consequently, all actuarial gains and losses are recognized in equity.

Long-term benefits

The Group's net obligation in respect of long-term benefits is the amount of future benefits earned by employees in return for services rendered in current and prior years. The amount of the obligation is determined using the projected unit credit method. This amount is discounted to determine its present value, deducting the fair value of any plan assets. The discount rate applied is the yield at the reporting date on government bonds with terms consistent with those of the Group's obligations. Actuarial gains and losses on long-term benefits are recognized in profit or loss.

Share-based payments

The Ingenico stock option program allows Group employees to acquire Company shares. The fair value of the options and free share awards is recognized in payroll costs, with a corresponding increase in equity. Fair value is measured at the grant date and is expensed over the vesting period. The fair value of the options and free shares granted is measured by an independent actuary using standard measurement techniques which are adapted to the specific characteristics of each plan as defined at the grant date (using the Black-Scholes and/or the Monte-Carlo models). The amount recognized as an expense is adjusted to reflect the actual number of options vested.

Provisions

Provisions are recognized in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Litigation and claims

Provisions for litigation and claims are recognized when the Group has a current obligation in respect of litigation in progress, administrative inquiries, disputed proceedings and other claims arising from past events not yet settled, and that it is probable that an outflow of economic benefits, which can be reliably estimated, will be required to settle the obligation. The Group obtains legal advice to assess the probability of the outcomes and to measure the provisions for litigation and claims.

Restructuring

A provision for restructuring is recognized when the Group has approved a formal and detailed restructuring plan and has:
• either commenced the restructuring,
• or has announced the plan publicly.

Provisions are not recognized for future operating costs.

Warranties

A provision for warranties is recognized when the underlying products or services are sold.

The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

Onerous contracts

A provision for onerous contracts is recognized when the expected economic benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Trade and related payables

Trade and related payables are recognized initially at fair value and subsequently measured at amortized cost.

Revenue

Sale of goods and services

Revenues from the sale of goods are recognized in the income statement when the significant risks and rewards of ownership of the goods have been transferred to the buyer. Revenues from services rendered are recognized in the income statement in proportion to the stage of completion of the service at the reporting date. The stage of completion is assessed based on work performed. No revenue is recognized if there is significant uncertainty regarding (i) the recoverability of the consideration due, (ii) the costs associated with the service that have been incurred or are to be incurred, or (iii) the possible return of goods when the customer has the right to cancel the purchase, or when the Group has continuing management involvement with the goods.

For certain services, the Group determines whether it is acting as principal or as agent, using the criteria of IAS 18, such as the responsibility for the rendering of the service, inventory risk, price-setting, and credit risk. The analysis is made on the basis of a review of the operating model for the supply and sale of the services, in particular the sale and or purchase agreements. When it is determined that the Group acts as agent in respect of the provision of services, the revenue recognized is restricted to the net margin on the provision of the services. When it is determined that the Group acts as principal, revenue is recognized on a gross basis.

Construction contracts

When the outcome of a construction contract can be reliably estimated, contract revenue and costs are recognized in the income statement in proportion to the stage of completion of the contract. The stage of completion is assessed based on work performed. Expected losses are immediately recognized in the income statement.

Interest income

Interest income is recognized in the income statement using the effective interest method.

Expenses

Operating lease payments

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

Finance lease payments

Minimum finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant rate of interest on the remaining balance of the liability.

Other operating income and expenses

Other operating income and expenses include non-recurring income or expenses, such as gains or losses on disposal of consolidated subsidiaries or businesses, restructuring charges approved by management and publicly announced, litigation expenses, transaction costs of business combinations, goodwill and other asset impairment losses, and the remeasurement to fair value of a prior investment in an entity when the Group acquires control i.e. a business combination implemented through a step acquisition.

Net finance costs

Net finance costs include interest payable on borrowings calculated using the effective interest method, interest receivable on funds invested, and other dividend income. Interest income is recognized in the income statement as it accrues, using the effective interest method.

Dividend income is recognized in the income statement on the date the Group's right to receive payment is established, or, for listed securities, the ex-dividend date.

The interest expense component of finance lease payments is recognized using the effective interest method.

Other financial income and expenses

Other financial income and expenses mainly consist of foreign exchange gains and losses, but also include remeasurements of financial instruments as well as gains or losses on disposals of financial instruments.

Income tax

Income tax expense (credit) includes current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to a business combination or to items recognized directly in equity, in which case it is also recognized in equity. Current tax is (I) the expected tax payable on taxable income for the period, using tax rates enacted or substantively enacted at the reporting date; (II) any adjustment to the amount of current tax payable in respect of previous periods and (III) all other taxes calculated on a net amount of revenue and expenses deferred tax is determined using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. No deferred tax is recognized for the following: (I) initial recognition of goodwill, (II) temporary differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future and (III) the initial recognition of an asset or liability in a transaction which is not a business combination, which affects neither the accounting nor the taxable result. The measurement of deferred tax assets and liabilities depends on the manner in which the Group expects to recover or settle the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available to the Group against which it can be utilized. This assessment is made principally on the basis of the following criteria:

- Realization of taxable profits before the expiry of tax losses;
- Existence of sufficient temporary differences in the same tax jurisdiction and taxable entity which will result in taxable income against which the tax losses may be utilized;
- Non-recurring nature of the reasons for the existence of the tax losses;
- Tax planning measures permitting the entity to generate taxable income before the expiry of the tax losses.

Deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable profits will be available.

New tax regulations effective from January 1, 2010 in France

The 2010 Finance Act passed by the French Parliament on December 30, 2009 introduced a new tax called the Contribution Economique Territoriale (CET) to replace the previous local business tax (Taxe Professionnelle). The CET has two components: the Contribution Foncière des Entreprises (CFE – Levy on Property Rental Value) and the Cotisation sur la Valeur Ajoutée des Entreprises (CVAE – Levy on Value Added by Businesses).

This change has led the Group to reexamine the accounting treatment of taxes in France in respect of IFRS, in particular IAS 12, Income Taxes.

The Group has decided to classify the CVAE component as income tax for the following reasons:

- the basis of the calculation of the CVAE complies with the definition of an income tax given by IFRIC, in that it is calculated on a net amount of revenue and expense, which may be different from profit as shown in the income statement;
- in order to ensure consistency with the treatment of similar foreign taxes.

Segment reporting

A segment is a component of the Group that produces revenues and whose results are identified by the Group's internal reporting system.

As the Group operates principally in the business segment of payment terminal sales, its segment reporting can only be made by geographical entities which are the only profit centers with detailed performance measurements.

Costs incurred at Group level on behalf of geographical segments are allocated to the various segments. These costs, which relate to the operational activity of segments, are directly attributed to the relevant segment or allocated on a reasonable basis.

The only unallocated items are head-office expenses.

Non-current assets held for sale and discontinued operations

Non-current assets and groups of assets held for sale are recognized at the lower of the carrying amount and fair value less costs to sell.

Impairment losses arising from the classification of an asset as held for sale are recognized in the income statement, as are any gains and losses arising on subsequent remeasurement. The recognized gain may not exceed the accumulated recognized impairment losses.

A discontinued operation is a component of the Group's economic activity that represents a separate major line of business or geographical area or is a subsidiary acquired exclusively for resale.

Classification as a discontinued operation occurs at the time of disposal or at an earlier date if the operation meets the criteria for classification as held for sale. A disposal group may also meet the criteria for classification as a discontinued operation.

Earnings per share

The Group reports both basic and diluted earnings per share on its ordinary shares. Basic earnings per share are calculated by dividing the net profit or loss attributable to Ingenico S.A. shareholders by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares held as treasury shares. Diluted earnings per share are calculated by adjusting the net profit or loss attributable to Ingenico S.A. shareholders and the weighted average number of ordinary shares outstanding, excluding treasury shares, to take into account the effect of all potentially dilutive ordinary shares, including employee stock options and free share awards.

3. Definition of financial asset and liability by categories in compliance with IFRS

	2010							
Asset and liability categories (in thousands of euros)	Assets & liabilities measured at fair value through profit or loss (FV option)	Assets & liabilities measured at fair value recognized in Held-to maturity investments	Available for sale assets	Loans and receivables	Liabilities at amortized cost	Derivative instruments designated as hedging future cash flows	Total net carrying amount	Fair value of the asset or liability category
Financial assets			776	3,807			4,583	4,583
Trade and other current receivables				238,092			238,092	238,092
Derivative financial instruments	763					2,698	3,461	3,461
Other non-current assets				17,895			17,895	17,895
Cash and cash equivalents	22,712			136,225			158,937	158,937
Other investments								
TOTAL FINANCIAL ASSETS	**23,474**		**776**	**396,019**		**2,698**	**422,968**	**422,968**
Long-term loans					228,775		228,775	228,775
Other non-current liabilities					9,235		9,235	9,235
Short-term borrowings					39,228		39,228	39,228
Trade payables and other current liabilities					281,668		281,668	281,668
Derivative financial instruments	387				-	1,829	2,216	2,216
TOTAL FINANCIAL LIABILITIES	**387**				**558,907**	**1,829**	**561,122**	**561,122**

	2009							
Asset and liability categories (in thousands of euros)	Assets & liabilities measured at fair value through profit or loss (FV option)	Assets & liabilities measured at fair value recognized in Held-to maturity investments	Available for sale assets	Loans and receivables	Liabilities at amortized cost	Derivative instruments designated as hedging future cash flows	Total net carrying amount	Fair value of the asset or liability category
Financial assets			306	3,285			3,591	3,591
Trade and other current receivables				206,525			206,525	206,525
Derivative financial instruments	926					2,507	3,433	3,433
Other non-current assets				13,668			13,668	13,668
Cash and cash equivalents	24,635			66,570			91,205	91,205
Other investments								
TOTAL FINANCIAL ASSETS	**25,561**	**-**	**306**	**290,048**	**-**	**2,507**	**318,421**	**318,421**
Long-term loans [1]					215,370		215,370	215,370
Other non-current liabilities					6,571		6,571	6,571
Short-term borrowings					20,275		20,275	20,275
Trade payables and other current liabilities					182,342		182,342	182,342
Derivative financial instruments	5					801	806	806
TOTAL FINANCIAL LIABILITIES	**5**	**-**	**-**	**-**	**424,557**	**801**	**425,363**	**425,363**

(1) The Group deemed that the carrying amount of the line of credit approximated fair value.

	2008							
Asset and liability categories (in thousands of euros)	Assets & liabilities measured at fair value through profit or loss (FV option)	Assets & liabilities measured at fair value recognized in Held-to maturity investments	Available for sale assets [1]	Loans and receivables	Liabilities at amortized cost	Derivative instruments designated as hedging future cash flows	Total net carrying amount	Fair value of the asset or liability category
Financial assets			251	3,037			3,287	3,287
Trade and other current receivables				168,470			168,470	168,470
Derivative financial instruments	153					9	162	162
Other non-current assets				466			466	466
Cash and cash equivalents	98,286			44,485			142,770	142,770
Other investments	1,083		1,763				2,847	2,847
TOTAL FINANCIAL ASSETS	**99,522**	**-**	**2,014**	**216,457**	**-**	**9**	**318,002**	**318,002**
Long-term loans [2]					61,018		61,018	61,018
Other non-current liabilities					4,535		4,535	4,535
Short-term borrowings					7,149		7,149	7,149
Trade payables and other current liabilities					170,900		170,900	170,900
Derivative financial instruments	923					1,550	2,472	2,472
TOTAL FINANCIAL LIABILITIES	**923**	**-**	**-**	**-**	**243,603**	**1,550**	**246,074**	**246,074**

[1] In respect of financial assets classified as held for sale, a fair value reserve in equity is used to hold changes in fair value on a temporary basis until reclassified to profit or loss when the instrument is derecognized on sale or reimbursement. As of December 31, 2008, impairment losses, considered lasting and significant were recognized in profit or loss.

[2] The Group had considered that carrying amount of the facility approximated its market value.

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 7.

Financial instruments carried at fair value subsequent to their recognition are analyzed by level, as follows:

- Assets and liabilities measured at fair value through profit or loss
- Available-for-sale assets
- Qualifying cash flow hedges

Financial instruments of this class of assets and liabilities can correspond to any of the three levels of fair value set out below for 2008, 2009 and 2010:

There were no financial instruments in level 3. The company did not make any transfers between the levels in 2008, 2009 or 2010.

	December 31, 2010		
	TOTAL	Level 1	Level 2
FINANCIAL ASSETS AT FAIR VAKUE, INCLUDING:			
Assets classified as held for sale	776		776
Derivative financial instruments	3,461		3,461
Cash and cash equivalents	22,712	22,712	
Other investments	-		
TOTAL ASSETS	**26,949**	**22,712**	**4,237**
Financial liabilities at fair vakue, including:			
Derivative financial instruments	2,216		2,216
TOTAL LIABILITIES	**2,216**	**-**	**2,216**

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

	December 31, 2009		
	TOTAL	Level 1	Level 2
FINANCIAL ASSETS AT FAIR VAKUE, INCLUDING:			
Assets classified as held for sale	306		306
Derivative financial instruments	3,433		3,433
Cash and cash equivalents	24,635	24,635	
Other investments	-		
TOTAL ASSETS	**28,374**	**24,635**	**3,739**
Financial liabilities at fair vakue, including:			
Derivative financial instruments	806		806
TOTAL LIABILITIES	**806**	**-**	**806**

	December 31, 2008		
	TOTAL	Level 1	Level 2
FINANCIAL ASSETS AT FAIR VAKUE, INCLUDING:			
Assets classified as held for sale	251		251
Derivative financial instruments	162		162
Cash and cash equivalents	98,286	98,286	
Other investments	2,847	2,847	
TOTAL ASSETS	**101,546**	**101,133**	**413**
Financial liabilities at fair vakue, including:			
Derivative financial instruments	2,472		2,472
TOTAL LIABILITIES	**2,472**	**-**	**2,472**

4. Financial risk management

4.1 Liquidity and counterparty risks

Liquidity risk is managed at Group level by the Treasury Department. This centralized approach makes it possible to use cash surpluses generated in one part of the Group to cover cash needs elsewhere before having to raise funds in the financial market.

Ingenico's financing policy is always to have sufficient liquidity available to meet the Group's investing and working capital requirements, while maintaining a satisfactory relationship between its assets and resources in terms of maturities, currencies and interest rates.

Financial assets at December 31, 2010

At December 31, 2010, the Group's principal financial assets were the following:

- Cash and cash equivalents totaling € 158.9 million.
- Trade receivables totaling € 227 million, related to the Group's normal operating cycle.

Other investments with an average maturity of a maximum off three months are available at all times. The main instruments are deposit certificates and negotiable debt securities issued by top-tier financial institutions. At December 31, 2010, Ingenico had no such investments.

Counterparty risk is the risk of financial loss for the Group arising from failure by one of its customers or counterparties to a financial instrument to meet its contractual obligations. This risk could arise principally from trade receivables, other investments and bank counterparties.

The carrying amount of the Group's financial assets at the end of the period represents the Group's maximum exposure to credit risk. The Group's maximum exposure at December 31, 2010 was as follows:

(in thousands of euros)	2008	2009	2010
Cash and cash equivalents	142,770	91,205	158,937
Other investments	2,847		
Financial assets	3,287	3,591	4,583
Trade receivables	159,381	188,928	227,008
Finance lease receivables		25,654	25,828
Other operating receivables	9,048	5,217	2,823
Other current assets	41	218	179
Other non-current assets	466	175	147
Hedging derivative financial instruments (assets)	162	3,433	3,461
TOTAL	**318,002**	**318,421**	**422,968**

With respect to counterparty risk from trade receivables, a provision for a doubtful debt may be recognized in full or in part reflecting the probability of collection.

Credit risk is monitored at Group level by the Treasury Department, in particular by Group Credit Management. The Group tracks customer credit at its subsidiaries on a monthly basis and provides in for any receivables it considers fully or partially uncollectible.

To protect against credit risk and reduce its exposure to non-payment, the Group determines the credit risk for each customer, and fixes specific credit limits and payment terms. Ingenico requires adequate guarantees in sensitive countries, for example in the form of letters of credit, with French banks acting as advising or even confirming banks.

Further information on trade receivables and provisions can be found in Note 18 on the aging of trade receivables.

Financial liabilities at December 31, 2010

The Group's ability to service its debt depends on its business performance and on its capacity to generate adequate cash from operations.

Cash flows come from two principal sources:

1. Operating cash flows: the parent company acts as the central purchasing agency for Group entities. After placing orders with external manufacturers, the terminals are resold to the subsidiaries at predetermined transfer prices.
2. Financial cash flows: the Group has implemented cash pooling operations in the form of loans between the parent and its subsidiaries. This results in an inflow of cash towards Ingenico SA.

If future cash flow proves to be insufficient, the Group might be obliged to:

- Reduce or delay new investments.
- Dispose of assets.
- Issue debt securities or new shares.
- Restructure or refinance all or part of its debt.

The Company has performed a specific review of its liquidity risk, and has concluded that it can repay its debt as it falls due. In particular, it considers that its future cash flows will be adequate to meet its debt repayment commitments and working capital requirements.

It should be noted that:

- the Group is able to generate significant cash flows for its investing requirements (see the Consolidated Cash Flow Statement);

- the company has a revolving credit facility of € 60 million and bilateral lines of credit totaling € 31.5 million, none of which is currently utilized;

- net debt at December 31, 2010 amounted to € 109.7 million, and its debt ratios are not high, leaving its borrowing capacity intact.

The maturities of the Group's financial liabilities at December 31, 2010 were as follows:

	2010					
(in thousands of euros)	Carrying amount	Contractual cash flow	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
NON-DERIVATIVE FINANCIAL LIABILITIES						
Bank borrowings	240,296	245,463	22,377	41,828	181,259	
Finance lease obligations	13,482	13,482	4,558	4,036	4,887	
Bank overdrafts	13,380	13,380	13,380			
Other financial liabilities	845	845	697	21	127	
TOTAL	**268,003**	**273,170**	**41,012**	**45,885**	**186,273**	**-**
Derivative financial liabilities						
Exchange rate instruments	2,216	2,216	2,216			
Interest rate instruments						
TOTAL	**2,216**	**2,216**	**2,216**	**-**	**-**	**-**

	2009					
(in thousands of euros)	Carrying amount	Contractual cash flow	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
NON-DERIVATIVE FINANCIAL LIABILITIES						
Bank borrowings	206,396	210,044	18,044	36,000	156,000	
Finance lease obligations	13,922	13,922	4,905	3,747	5,261	9
Bank overdrafts	14,775	14,775	14,775			
Other financial liabilities	552	552	552			
TOTAL	**235,645**	**239,293**	**38,276**	**39,747**	**161,261**	**9**
Derivative financial liabilities						
Exchange rate instruments	728	728	728			
Interest rate instruments	78	78	78			
TOTAL	**806**	**806**	**806**	**-**	**-**	**-**

	2008					
(in thousands of euros)	Carrying amount	Contractual cash flow	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
NON-DERIVATIVE FINANCIAL LIABILITIES						
Bank borrowings	61,525	61,877	2,203		59,674	
Finance lease obligations	2,760	2,760	1,433	699	572	56
Bank overdrafts	3,550	3,550	3,550			
Other financial liabilities	332	332	315	17		
TOTAL	**68,167**	**68,519**	**7,501**	**716**	**60,246**	**56**
Derivative financial liabilities						
Exchange rate instruments	2,472	2,472	2,472			
Interest rate instruments						
TOTAL	**2,472**	**2,472**	**2,472**	**-**	**-**	**-**

The Group considers that its exposure to banking counterparty risk is limited, as its banks are of premium standing and have the highest credit ratings.

At December 31, 2010, the Group's financial liabilities comprised the following:

- A € 370 million variable-rate syndicated loan facility, contracted on September 24, 2009, was renegotiated on July 7, 2010, resulting in a further tranche of € 100 million being obtained, and the rescheduling of the final maturity to September 30, 2014, and that of the first installment, to September 30 2011. The facility is now structured as follows:
  - a first tranche of € 210 million with a four-year term and a final maturity at the end of September 2014, fully drawn down on November 30, 2009 to finance the acquisition of the easycash group. This loan is repayable in installments beginning September 30, 2011: € 18 million every six months until March 31, 2013, then € 46 million each six months until September 30, 2014.
  - a second tranche represented by a € 60 million revolving credit facility redeemable at maturity, which had not been drawn down at December 31, 2010.
  - a third tranche of € 100 million, available to finance the Group's acquisitions, of which € 34 million was drawn down in August 2010.

- € 13.4 million in short-term bank advances at December 31, 2010. The Group has also unutilized overdraft facilities totaling € 31.5 at the year-end.

- €14.3 million in finance lease obligations and other liabilities principally related to the Group's sales contracts and the financing of terminals leased to customers.

The syndicated loan contracted in 2010 includes covenants relating to the respect of certain financial ratios which are subject to review every six months on the basis of pro forma consolidated financial statements:

- The net debt to equity ratio must be less than 80 percent.
- Net debt must be less than 2.5 times EBITDA.
- The interest coverage (EBITDA/net financial expense) must be greater than 5.

There are also a number of standard legal covenants.

The ratios were respected at December 31, 2010.

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

4.2 Market risk

Foreign exchange risk

A large share of Ingenico's revenue and expenses is denominated in currencies other than the euro. The Group is therefore exposed to foreign exchange risk arising on purchases from payment terminal suppliers and on transactions between subsidiaries and the parent company. The main currencies in which that exposure is significant are the U.S. dollar (USD), the Canadian dollar (CAD), the pound sterling (GBP) and the Australian dollar (AUD).

Foreign-currency denominated purchases and sales which do not form an economic hedge may be covered by a hedge instrument.

The Group has implemented a centralized policy for managing its foreign exchange exposure that involves using financial instruments such as swaps, forward purchase or sale contracts and currency options. Monitoring foreign exchange risk is the responsibility of the Treasury Department, which reports to the Chief Financial Officer. In addition, the Group uses specialized software that allows it to track its mark-to-market positions on a daily basis.

(in thousands of foreign currency)	31.12.2010 US Dollar	British pound	Yen	Canadian dollar	Australian dollar
Trade receivables	68,018	16,523	-	14,982	15,388
Secured bank loans (bank borrowings)	-	-	-	-	-
Trade payables	(100,452)	(9,847)	-	(10,283)	(15,004)
GROSS BALANCE SHEET EXPOSURE	**(32,433)**	**6,676**	**-**	**4,700**	**384**
Estimated forecast sales	93,345	28,165	-	22,404	29,731
Estimated forecast purchases	(211,330)	-	-	-	-
GROSS EXPOSURE	**(150,418)**	**34,841**	**-**	**27,104**	**30,115**
Foreign exchange derivative instruments					
Forward purchases	95,500	-	-	-	-
Forward sales	-	(8,800)	-	(3,900)	(17,100)
Options	23,500	(9,000)	-	(6,500)	-
NET EXPOSURE	**(31,418)**	**17,041**	**-**	**16,704**	**13,015**

Sensitivity to foreign exchange risk

	31.12.2010		31.12.2010	
	Impact on income statement	Impact on cash reserves	Impact on income statement	Impact on cash reservesr
(in thousands of euros)	10% appreciation of the euro		10% appreciation of foreign currency	
Trade receivables	(8,460)		10,340	
Trade payables	9,614		(11,751)	
Derivative financial instruments	(314)	(3,355)	(293)	6,491
TOTAL	**840**	**(3,355)**	**(1,704)**	**6,491**

The above table shows the impact of a 10 percent appreciation or depreciation of the euro against the other currencies on the Group's trade receivables, trade payables and derivative financial instruments that represent hedging instruments. It also shows how those changes would impact the balance sheet and income statement.

The table below sets out the sensitivity of each currency to a change in the euro.

(in thousands of euros)		31.12.2010 Trade receivables	Trade payables	Derivative financial instruments	TOTAL
Impact on income statement reserves 10% appreciation of the euro	USD	(4,628)	6,834	(285)	1,922
	GBP	(1,745)	1,040	(78)	(783)
	YEN				
	CAD	(1,022)	702	49	(272)
	AUD	(1,065)	1,038		(27)
	SOUS,TOTAL	**(8,460)**	**9,614**	**(314)**	**840**
Impact on income statement reserves 10% depreciation of the euro	USD	5,656	(8,353)	(161)	(2,858)
	GBP	2,133	(1,271)	(108)	753
	YEN				
	CAD	1,250	(858)	(24)	368
	AUD	1,302	(1,269)		33
	SOUS,TOTAL	**10,340**	**(11,751)**	**(293)**	**(1,704)**

(in thousands of foreign currency)	31.12.2009 US Dollar	British pound	Yen	Canadian dollar	Australian dollar
Trade receivables	72,952	17,256	8,655	13,539	9,685
Secured bank loans (bank borrowings)	-	-	-	-	-
Trade payables	(98,280)	(10,407)	-	(13,818)	(6,478)
GROSS BALANCE SHEET EXPOSURE	**(25,327)**	**6,849**	**8,655**	**(279)**	**3,207**
Estimated forecast sales	77,964	25,635	-	22,844	26,600
Estimated forecast purchases	(213,000)	-	-	-	-
GROSS EXPOSURE	**(160,363)**	**32,484**	**8,655**	**22,565**	**29,807**
Foreign exchange derivative instruments					
Forward purchases	90,000	-	-	-	-
Forward sales	-	(14,250)	-	(12,750)	(20,600)
Options	30,000	(5,850)	-	(5,150)	-
NET EXPOSURE	**(40,363)**	**12,384**	**8,655**	**4,665**	**9,207**

(in thousands of foreign currency)	31.12.2008 US Dollar	British pound	Yen	Canadian dollar	Australian dollar
Trade receivables	67,969	21,834	-	17,875	20,348
Secured bank loans (bank borrowings)	-	-	-	-	-
Trade payables	(76,079)	(11,393)	(126)	(9,906)	(8,653)
GROSS BALANCE SHEET EXPOSURE	**(8,109)**	**10,441**	**(126)**	**7,969**	**11,696**
Estimated forecast sales	78,865	21,811	-	25,098	24,967
Estimated forecast purchases	(242,742)	-	-	-	-
GROSS EXPOSURE	**(171,986)**	**32,252**	**(126)**	**33,067**	**36,663**
Foreign exchange derivative instruments					
Forward purchases	73,100	400	-	20,267	2,347
Forward sales	-	(16,700)	-	(19,600)	-
Options	-	-	-	-	-
NET EXPOSURE	**(98,886)**	**15,952**	**(126)**	**33,734**	**39,010**

Interest rate risk

Interest rate risk is managed at Group level by the Treasury Department. The Group's hedging policy reflects a double concern, for security and for optimal resource cost management. Based on the trends expected in the Group's consolidated debt (new borrowings and repayments) and in interest rates, the Group sets targets for the mix between fixed-rate and variable-rate debt.

Those targets are regularly reviewed and reset for subsequent periods by Group management after consulting the Audit and Finance Committee, and then implemented by the Treasury Department. Interest rate swaps and cap agreements are the main instruments used.

In 2009, the Group put in place an interest rate hedge covering 75 percent of the € 210 million syndicated loan tranche, maturing in 2014. This capped the interest rate on the hedged portion of the loan at 4.25 percent (excluding fees).

An increase of 100 points in 3 month Euribor would have reduced profit for the period by € 3.1 million, and increased equity by € 0.6 million at December 31, 2010.

A decrease of 100 points in 3 month Euribor would have increased profit for the period by € 2.8 million, and reduced equity by € 0.01 million at December 31, 2010.

(in thousands of euros)	Carrying amount		
	2008	2009	2010
FIXED-RATE INSTRUMENTS			
FIXED-RATE FINANCIAL ASSETS	**-**	**-**	**-**
Revolving bank facility	30,000		
Loans repayable in onstallments	1,735		
Others		27,172	14,615
FIXED-RATE FINANCIAL LIABILITIES	**31,735**	**27,172**	**14,615**
Variable-rate instruments			
Cash and cash equivalents	142,770	91,205	158,937
Other investments	2,847		
Financial assets	3,287	3,591	4,583
Trade receivables	159,381	188,928	227,008
Finance lease receivables		25,654	25,828
Other operating receivables	9,048	5,217	2,823
Other current assets	41	218	179
Other non-current assets	466	175	147
Derivative hedging instruments (assets)	162	3,433	3,461
VARIABLE-RATE FINANCIAL ASSETS	**318,002**	**318,421**	**422,968**
Bank borrowings, finance leases, short-term borrowings	36,432	208,473	253,389
VARIABLE-RATE FINANCIAL LIABILITIES	**36,432**	**208,473**	**253,389**

5. Consolidation scope

The entities that make up the Group are accounted for under the full consolidation method and the equity method.

Entities in which the Group has exclusive control are fully consolidated. The Group has elected to use the equity method for entities under joint control (Roam Data and Korvac).

Corporate name	Adress	Country	% interest Ingenico SA	Consoli-dation method
PARENT COMPANY				
INGENICO SA	192, avenue Charles de Gaulle 92200 Neuilly-sur-Seine Cedex	France		
CONSOLIDATED SUBSIDIARIES				
IDS SOFRACIN SAS	192, avenue Charles de Gaulle 92200 Neuilly-sur-Seine Cedex	France	100%	FC
INGENICO TRANSACTIONS SERVICES SAS	192, avenue Charles de Gaulle 92200 Neuilly-sur-Seine Cedex	France	100%	FC
INGENICO VENTURES SAS	192, avenue Charles de Gaulle 92200 Neuilly-sur-Seine Cedex *along with its subsidiaries Fixed & Mobile Pte Ltd in Singapore (38.27% stake) and Roam Data in the U.S. (43.92%) which are accounted for under the equity method*	France	100%	FC
INGENICO PREPAID SERVICES FRANCE SAS	5, rue de Marignan 75008 Paris	France	100%	FC
INGENICO GmbH	Pfalzburger Straße 43-44 10717 Berlin	Germany	100%	FC
SAGEM GmbH	Konrad-Zuse-Ring 1 - 24220 Flintbek	Germany	100%	FC
DI DEUTSCHE INGENICO HOLDING GmbH	c/o Debevoise & Plimpton LLP Taubenstrasse 7-9 - 60313 Frankfurt am Main *along with its subsidiaries easycash Beteiligungen GmbH, easycash Vertriebsgesellschaft mbH, easycash erwaltungsgesellschaft mbH, easycash Holding GmbH, easycash Projekt GmbH, easycash Loyalty Solutions GmbH, Servicegesellschaft für Zahlungssysteme mbH, easycash GmbH*	Germany	100%	FC
INGENICO INTERNATIONAL (PACIFIC) PTY LTD	6 Prosperity Parade - Warriewood NSW 2102	Australia	100%	FC
INGENICO INTERNATIONAL (SINGAPORE) PTE LTD	390 Havelock Road #03-03 King's Centre Singapore 169662	Singapour	100%	FC
INGENICO UK LTD	Ridge Way - Donibristle Industrial Estate Dalgety Bay Dunfermline FIFE JY11 5JU - Ecosse *along with its wholly-owned subsidiaries Ingenico Ireland Ltd and Sagem Matsu, and its Norwegian subsidiary Mynt Betal (50.13% stake)*	U.K.	100%	FC
INGENICO IBERIA SL	c/ Ribera del Loira, 4 y 6 - 4ª planta Campo de las Naciones 28042 Madrid *along with its subsidiary Ingenico Barcelona S.A. (99.99% stake)*	Spain	100%	FC
INGENICO CORP	6195 Shiloh Road, Suite D Alpharetta, Georgia 30005 *along with its American and Canadian subsidiaries, all wholly-owned*	U.S.	100%	FC

Corporate name	Adress	Country	% interest Ingenico SA	Consoli-dation method
CONSOLIDATED SUBSIDIARIES				
INGENICO IVI INC	9155 South Date Land Blvd - Suite 1408 Miami Florida 33156 *along with its wholly-owned subsidiary in Mexico*	U.S.	100%	FC
DESCARTES INC	6 colonail Lake drive Lawrenceville - New jersey USA	U.S.	100%	FC
INGENICO DO BRASIL LTDA	Rua Tomé de Souza, 15-8 floor Sao Bernardo do Campo - Sao Paulo *along with its subsidiaries and branches in Colombia, Venezuela, Argentina and Chile*	Brazil	100%	FC
INGENICO ITALIA SPA	Via Stephenson 43/a - 20157 Milano *along with its wholly-owned subsidiary EPOS Italia SpA*	Italy	100%	FC
AUTO GAIN HONG KONG LTD.	3806 Central Plaza, 18 Harbour Road, Wanchai, Hong Kong *along with its subsidiary Landi (68% stake, but consolidated at 100%), Ingeserve Ltd (100% stake including indirect holdings, fully consolidated) Korvac Holdings Pte (held 49% and equity-accounted) and Fixed & Mobile Pte Ltd (a holding of 51,62%)*	Hong Kong	100%	FC
INGENICO SOFTWARE SERVICES PHILIPPINES INC.	15 & 17 Floors pearl Bank Center - 146 Valero, Salce do Village Mkt Philippines	Philippines	100%	FC
INGENICO INTERNATIONAL PRIVATE INDIA LTD	D-4, Ground Floor, Street # 1, Chandra Shekhar Azad Road, Laxmi Nagar - New Delhi - 110092, Delhi, India	India	100%	FC
INGENICO SWITZERLAND SA	Impasse des Ecureuils 2 Case postale 56 CH-1763 Granges-Paccot	Switzerland	100%	FC
INGENICO HUNGARY	1022 Budapest,Bég u. 3-5.	Hungary	100%	FC
INGENICO EASTERN EUROPE I SARL	23, avenue de la Porte Neuve - L-2227 Luxembourg *along with its wholly-owned subsidiary Ingenico Polska*	Luxembourg	100%	FC
INGENICO INVESTMENT LUXEMBOURG SA	10 bd Royal L2449 Luxembourg	Luxembourg	100%	FC
INGENICO CIS	Godovikova street, 9 - 119085, Moscow - Russia	Russia	100%	FC
INGENICO CZ S.R.O.	Myslíkova 173/25 - 110 00, Praha 1 - Czech Republic	Czech Republic	100%	FC
INGENICO ÖDEME	ITU Ayazaga Kampusu Ari 2 Binasi B blok N° 6/1 Koruyolu - 34469 Maslak Istambul *along with its wholly-owned subsidiary Ingenico Elektronik*	Turkey	100%	FC

6. Acquisitions and divestitures

Acquisitions

6.1 Acquisition of Payzone France (now Ingenico Prepaid Services France)

Description of the transaction

On May 5, 2010, Ingenico acquired 100% of Payzone France, now called Ingenico Prepaid Services France. Ingenico Prepaid Services France is a distributor of mobile reloading services, and works with all the French-based operators of the sector. From its call center, the company offers a number of high value-added services, such as cash transfers, music loading and the reloading of mobile telephone credits.

This acquisition forms part of the Group's development strategy « beyond payment », through a full service offering to shopping outlets.

Transaction price

Ingenico Prepaid Services France was acquired by Ingenico for a total consideration of € 7.3 million.

Cash acquired amounted to € 0.8 million. The net cash outflow is therefore € 6.5 million.

Contribution to Group results (from May 2010)

Ingenico Prepaid Services France is fully consolidated. Its contribution to the consolidated results of the Group was:

- € 2.69 million to revenue;
- € -0.15 million to profit from ordinary activities;
- € -0.07 million to profit for the period.

If the acquisition had occurred on January 1, 2010, the impact on Group revenue and profit for the period would have been € 3.86 million and € -0.3 million, respectively.

6.2 Acquisition of Ingeserve Co. Ltd

Description of the transaction

On May 21, 2010, the Group acquired 100% of Ingeserve Co. Ltd. Ingeserve is a distributor of products and services of the Group in Thailand and the Philippines. Its principal businesses are the sale of Ingenico branded terminals and NCC in these two countries, and the development and sale of specific software for international customers.

Scope

The Ingeserve sub-group comprises the following entities:

- Ingeserve CO.Ltd. (Thailand)
- Ingeserve Corp (Philippines)
- Ingesoft Ltd. (Thailand)

The acquisition of Ingeserve was made by Ingenico Holding Asia.

Transaction price

The Group's acquisition of Ingeserve was for a consideration of U.S.$ 0.3 million (€ 0.2 million).

Cash acquired was € 0.3 million. The net inflow of cash was therefore € 0.1 million.

Badwill

Badwill amounted to U.S.$ -0.3 million (€ -0,2 million). It was immediately expensed.

Contribution to Group results (from June 2010)

Ingeserve is fully consolidated. Its contribution to the consolidated results of the Group was:

- € 0.46 million in revenue;
- € 0.02 million to profit from ordinary activities;
- € 0.20 million to profit for the period.

If the acquisition had occurred on January 1, 2010, the impact on Group revenue and profit for the period would have been € 0.52 million and € -0.03 million, respectively.

6.3 Acquisition of a controlling interest in Fixed & Mobile Pte Ltd (operating as TransferTo)

Description of the transaction

In July 2010, the Group obtained a controlling interest in Fixed & Mobile Pte Ltd, a company based in Singapore which is specialized in the transfer of prepaid mobile credits, and in which it already held 38% through Ingenico Ventures. The Group now holds 90% of its share capital.

Scope

The Fixed & Mobile Pte Ltd sub-group comprises the following companies:

- Fixed & Mobile Pte Ltd (Singapore)
- TransferTo Inc. (U.S.A.)

The acquisition of the additional 52% holding in Fixed & Mobile Pte Ltd was made through Ingenico Holding Asia.

Transaction price

To acquire the additional holding of 52%, the Group paid consideration of U.S.$ 22.7 million (€ 18.5 million), comprising:

- the cost of acquiring the shares, U.S.$ 19,4 million (€ 15.8 million);

- the granting of a put option (exercisable in 2013) over 10% of Fixed & Mobile Pte Ltd shares, measured at U.S.$ 3.3 million (€2.7 million). The option is measured at fair value, determined by reference to future cash flows, with probability factors applied to the various business plan scenarios.

Cash acquired amounted to € 0.2 million. The net cash outflow was therefore € 14.4 million.

Contribution to Group results (from July 2010)

Since July 2010, these companies, which were previously consolidated using the equity method, are fully consolidated. Their contribution to the consolidated results of the Group was:

- € 9.86 million to revenue;
- € -0.69 million to profit from ordinary activities;
- € -0.75 million to profit for the period.

If the acquisition had occurred on January 1, 2010, the impact on Group revenue and profit for the period would have been € 18.45 million and € -0.77 million, respectively.

6.4 Acquisition of First Data Iberica (FDI, now Ingenico Services Iberia)

Description of the transaction

On July 19, 2010, the Group acquired 100% of the shares of Ingenico Services Iberia, the major operator of vertical solutions in the Spanish petrol station market, previously owned by a Spanish family investor. Ingenico Services Iberia is present along the entire value chains for payment services (from the terminal to the transaction) and customer loyalty programs for more than 5,000 stations. Ingenico Services Iberia also manages mobile reloading services for its unique base of 42,000 terminals in the Iberian peninsula.

Scope

The Ingenico Services Iberia sub-group comprises the following entities:

- Ingenico Services Iberia
- Payments Consulting S.L.U.

The acquisition of Ingenico Services Iberia was made by Ingenico Iberia.

Transaction price

Ingenico Services Iberia was acquired by the Group for a total consideration of € 27.9 million.

Cash acquired amounted to € 9.4 million. The net cash outflow was therefore € 18.5 million.

Contribution to Group results (from September 2010)

These entities are fully consolidated since the acquisition of control. Their contribution to the consolidated results of the Group was:

- € 4.91 million in revenue;
- € 0.15 million to profit from ordinary activities;
- € 0.21 million to profit for the period.

The acquisition had occurred on January 1, 2010, the impact on Group revenue and profit for the period would have been € 14.73 million and € -1.70 million, respectively.

6.5 Acquisition of the Korvac group

Description of the transaction

On September 14, 2010, the Group announced the acquisition of 49% de Korvac Holdings Pte Ltd, a supplier of payment services based in Singapore. The activities of Korvac are mainly linked to the supply of payment services in its principal markets: retailers' payment transactions, including terminal management, transaction processing, the management of customer loyalty programs and the analysis of customer information.

Scope

The Korvac sub-group comprises the following companies:

- Korvac Holdings Pte Ltd
- Card Alliance Pte Ltd
- Korvac Payment Services (S) Pte Ltd
- JED Service Co Ltd
- Korvac (Thailand) Co Ltd
- Korvac (M) Sdn Bhd
- Consumer Cube Pte Ltd
- Payment Link Pte Ltd
- E-Coins Pte Ltd
- QB-Link Pte Ltd
- Korvac HK Ltd

The acquisition of Korvac was made by Ingenico Holding Asia.

Transaction price

The Group acquired the non-controlling interest in Korvac for total consideration of 30.0 million Singapore dollars (€ 16.5 million).

Contribution to Group results (from September 2010)

As a result of the governance structure agreed at the time of acquisition, control is exercised jointly between the Group and the existing owners, and consolidation is on the basis of the equity method.

The contribution of Korvac to consolidated results (shown as 'Profit or loss of associates') was € -0.48 million.

Divestitures

6.6 Disposal of Mynt Betal Norvège

Description of the transaction

On December 14, 2010, the Group sold its subsidiary Mynt Betal Norvège to Eugen Holding AS and Altenborg Holding AS.

Sale price

The proceeds of the disposal, paid in cash on December 14, 2010, amounted to € 0.5 million.

Contribution of the divested entity to Group results

The profit on disposal was € 1.3 million.

The company had contributed to Group results in 2010 (11 months) and 2009 (12 months), respectively, as follows:

- € 0.64 million and € 0.52 million to revenue;
- € -0.25 million and € -0.28 million to profit from ordinary activities;
- € -0.26 million and € 0 million to profit for the period.

7. Segment reporting

The Group applies IFRS 8 Operating Segments. The criteria for the determination of reportable segments is set out in note 2 Accounting Principles and Methods of the consolidated financial statements for the year ended December 31, 2010. The information presented below is based on the management reporting used by the the executive committee to evaluate the performance of the different segments.

The Group implemented a new organization structure from April 1, 2010, when the SEPA single euro payment zone was set up. A new SEPA region has been created, regrouping the former Northern Europe and Southern Europe segments in addition to the four other regions.

As a result of this revised organization of the Group and the management reporting structure, the reportable segments are as follows:

- Europe - SEPA;
- Asia-Pacific (including Australia and China)
- North America (including the U.S.A. and Canada)
- Latin America (including Brazil and Mexico)
- EEMEA (Central Europe, Africa and the Middle East)

The segment information for 2010 therefore follows the new organization, and that of 2009 and 2008 has been restated.

Review of segment results

Revenue and profit from operations of Group entities which operate over more than one segment have allocated to the respective geographical segments.

Segment results were as follows for the year ended December 31, 2010:

Breakdown of segment results (in thousands of euros)	December 31, 2010 SEPA	Asia-Pacific	North America	Latin America	Central Europe/ Middle East/Africa	Unallocated (*)	Eliminations	Consolidated
External revenue	431,688	138,798	102,985	162,179	71,378	(8)		907,020
Inter-segment revenue	24,767	3,093	888	6,920	43,491	254,169	(333,328)	-
TOTAL REVENUE	**456,455**	**141,891**	**103,873**	**169,099**	**114,869**	**254,161**	**(333,328)**	**907,020**
Profit from ordinary activities	38,326	19,470	13,472	10,425	1,848	13,350		96,891
Profit from operations	33,330	27,811	(8,785)	10,805	1,264	9,344		73,769
Net finance costs								(9,794)
Share of profits of associates								(1,671)
Income tax								(22,716)
PROFIT FOR THE PERIOD								**39,589**
ATTRIBUTABLE TO INGENICO S.A. SHAREHOLDERS								**39,575**
Revenue by location of customers is as follows:								
External revenue	427,228	134,342	101,454	168,098	75,899			907,020

(*) Unallocated amounts represent the holding activities not allocated operating segments. In 2010, the result from operations of the North America segment includes the impairment loss on its goodwill in an amount of € 21.4 million (see note 12, Goodwill). The result from operations of the Asia-Pacific segment includes the remeasurement to fair value of the initial holding in Transfert To (see note 12, Goodwill).

Segment results were as follows for the year ended December 31, 2009:

Breakdown of segment results (in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	Central Europe/ Middle East/Africa	Unallocated (*)	Eliminations	Consolidated
				December 31, 2009				
External revenue	303,570	80,849	102,234	130,275	80,482	3,274		700,684
Inter-segment revenue	21,690	945	132	4,678	36,499	214,546	(278,491)	-
TOTAL REVENUE	**325,260**	**81,794**	**102,366**	**134,954**	**116,981**	**217,821**	**(278,491)**	**700,684**
Profit from ordinary activities	39,101	9,410	3,115	2,935	6,591	(315)		60,835
Profit from operations	35,816	15,079	1,526	2,104	6,542	(13,618)		47,448
Net finance costs								(2,204)
Share of profits of associates								(283)
Income tax								(18,121)
PROFIT FOR THE PERIOD								**26,840**
ATTRIBUTABLE TO INGENICO S.A. SHAREHOLDERS								**26,840**
Revenue by location of customers is as follows:								
External revenue	303,646	82,754	105,087	134,178	75,019			700,684

(*) Unallocated amounts represent holding expenses not allocated to operating segments. The 2009 contribution of Moneyline Banking Systems (MBS), an entity disposed of in December, was reported as unallocated: € 3,274,000 to external revenue, (€ 1.325,000) to profit from ordinary activities and (€1,382,000) to profit from operations.

Segment results were as follows for the year ended December 31, 2008:

Breakdown of segment results (in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	Central Europe/ Middle East/Africa	Unallocated (*)	Eliminations	Consolidated
				December 31, 2008				
External revenue	293,866	71,302	105,123	129,953	123,186	4,588		728,017
Inter-segment revenue	12,907	1,239	927	10,774	34,229	219,689	(279,766)	-
TOTAL REVENUE	**306,772**	**72,541**	**106,050**	**140,727**	**157,415**	**224,277**	**(279,766)**	**728,017**
Profit from ordinary activities	39,821	10,703	10,388	5,130	13,670	(7,731)		71,981
Profit from operations	37,301	12,620	9,328	2,741	13,748	(18,227)		57,510
Net finance costs								(7,446)
Share of profits of associates								-
Income tax								(13,382)
PROFIT FOR THE PERIOD								**36,682**
ATTRIBUTABLE TO INGENICO S.A. SHAREHOLDERS								**36,683**
Revenue by location of customers is as follows:								
External revenue	293,061	77,852	109,679	137,674	109,751			728,017

(*) Unallocated amounts represented holding expenses not allocated to operating segments.
(**) The €1,000,000 impairment loss on Moneyline Banking Systems is included in the Southern Europe segment.

Breakdown of depreciation and amortization expense and expenses with no impact on cash flow

Depreciation and amortization expense and expenses with no impact on cash flow are broken down as follows for the year ended December 31, 2010:

Breakdown of depreciation and amortization expense and expenses with no impact on cash flow (in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	Central Europe/ Middle East/Africa	Unallocated	Consolidated
Depreciation and amortization expense	46,636	2,608	22,883	3,099	1,135	-	76,363
Additions to provisions, net of reversals and IFRS 2 expenses	9,453	922	3,829	89	(276)	-	14,017

Depreciation and amortization expense and expenses with no impact on cash flow are broken down as follows for the year ended December 31, 2009:

Breakdown of depreciation and amortization expense and expenses with no impact on cash flow (in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	Central Europe/ Middle East/Africa	Unallocated	Consolidated
Depreciation and amortization expense	31,865	2,340	1,534	2,197	1,125	-	39,061
Additions to provisions, net of reversals and IFRS 2 expenses	5,297	610	455	1,835	508	-	8,706

Depreciation and amortization expense and expenses with no impact on cash flow are broken down as follows for the year ended December 31, 2008:

Breakdown of depreciation and amortization expense and expenses with no impact on cash flow (in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	Central Europe/ Middle East/Africa	Unallocated	Consolidated
Depreciation and amortization expense	27,748	1,250	1,540	1,302	1,274	-	33,114
Additions to provisions, net of reversals and IFRS 2 expenses	5,736	707	(822)	1,933	826	-	8,381

Breakdown of segment assets and liabilities

Segment assets and liabilities are broken down as follows at December 31, 2010:

Breakdown of sector assets and liabilities (in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	Central Europe/ Middle East/Africa	Unallocated*	Consolidated
Goodwill	314,263	61,967	46,002	8,339	35,691	-	466,260
Other non-group sector assets	470,689	122,939	75,532	72,209	14,288	-	755,658
Deferred tax assets							22,883
Current tax receivables							10,582
Financial assets							4,561
Derivative financial instruments							3,461
Assets classified as held for sale							
TOTAL ASSETS	**784,952**	**184,905**	**121,534**	**80,548**	**49,979**	**-**	**1,263,405**
Other non-group sector liabilities	231,419	83,748	24,963	52,149	7,584	-	399,863
Total equity							545,567
Deferred tax liabilities							39,123
Current tax liabilities							8,633
Financial liabilities							268,003
Derivative financial instruments							2,216
Liabilities classified as held for sale							0
TOTAL LIABILITIES	**231,419**	**83,748**	**24,963**	**52,149**	**7,584**	**-**	**1,263,405**

The increase in goodwill is due to acquisitions of controlling interests during the year in the SEPA (Ingenico Prepaid Services, Ingenico Services Iberia) and Asia-Pacific (Fixed & Mobile Pte, Korvac segments). The decrease relates to the impairment losses in the North America segment.

Segment assets and liabilities are broken down as follows at December 31, 2009:

Breakdown of sector assets and liabilities (in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	Central Europe/ Middle East/Africa	Unallocated*	Consolidated
Goodwill	281,719	23,747	66,527	7,364	34,872	-	414,228
Other non-group sector assets	427,159	60,550	51,692	64,540	13,787	-	617,728
Deferred tax assets							23,341
Current tax receivables							9,456
Financial assets							3,567
Derivative financial instruments							3,433
Assets classified as held for sale							
TOTAL ASSETS	**708,877**	**84,296**	**118,219**	**71,904**	**48,658**	**-**	**1,071,752**
Other non-group sector liabilities	170,838	42,635	15,481	44,194	8,654	-	281,801
Total equity							493,088
Deferred tax liabilities							43,289
Current tax liabilities							17,124
Financial liabilities							235,645
Derivative financial instruments							806
Liabilities classified as held for sale							0
TOTAL LIABILITIES	**170,838**	**42,635**	**15,481**	**44,194**	**8,654**	**-**	**1,071,752**

The sharp rise in goodwill and other external segment assets results from the easycash acquisition.

Segment assets and liabilities are broken down as follows at December 31, 2008:

Breakdown of sector assets and liabilities (in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	Central Europe/ Middle East/Africa	Unallocated*	Consolidated
Goodwill	93,100	20,793	66,917	5,701	34,926	-	221,437
Other non-group sector assets	379,786	62,522	34,983	45,600	10,551	-	533,443
Deferred tax assets							20,631
Current tax receivables							8,602
Financial assets							3,265
Derivative financial instruments							162
Assets classified as held for sale							
TOTAL ASSETS	**472,886**	**83,315**	**101,900**	**51,302**	**45,477**	**-**	**787,539**
Other non-group sector liabilities	133,378	54,104	4,212	33,584	7,120	-	232,398
Total equity							455,102
Deferred tax liabilities							24,216
Current tax liabilities							5,184
Financial liabilities							68,167
Derivative financial instruments							2,472
Liabilities classified as held for sale							0
TOTAL LIABILITIES	**133,378**	**54,104**	**4,212**	**33,584**	**7,120**	**-**	**787,539**

Breakdown of acquisition costs for property, plant and equipment and other intangible assets

Acquisition costs for property, plant and equipment and other intangible assets are broken down as follows at in December 31, 2010:

Breakdown of cost of intangible assets and property, plant and equipment (in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	Central Europe/ Middle East/Africa	Unallocated	Consolidated
At cost	(18,858)	(1,134)	(825)	(2,557)	(712)	-	(24,085)

Acquisition costs for property, plant and equipment and other intangible assets are broken down as follows at in December 31, 2009:

Breakdown of cost of intangible assets and property, plant and equipment (in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	Central Europe/ Middle East/Africa	Unallocated	Consolidated
At cost	(19,005)	(427)	(397)	(3,325)	(7)	-	(23,161)

Acquisition costs for property, plant and equipment and other intangible assets are broken down as follows at in December 31, 2008:

Breakdown of cost of intangible assets and property, plant and equipment (in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	Central Europe/ Middle East/Africa	Unallocated	Consolidated
At cost	(17,405)	(484)	(651)	(2,983)	(228)	-	(21,752)

8. Costs and other expense analyses by nature

Because Ingenico presents its results by function, this note shows the main operating costs and expenses by nature.

Personnel costs are broken down as follows:

(in thousands of euros)	2008	2009	2010
Wages and salaries	91,825	101,133	133,834
Social security contributions	28,094	33,511	39,498
Retirement and other defined-benefit plan expenses	151	(915)	36
Provisions for retirement indemnities	304	456	311
Stock options and free shares	8,539	6,663	5,612
TOTAL	**128,913**	**140,848**	**179,292**

Depreciation and amortization expense and impairment breaks down as follows:

(in thousands of euros)	2008	2009	2010
Additions/(reversals)			
Amortization and impairment for intangible assets	17,613	25,707	39,992
Depreciation and impairment for property, plant and equipment	8,399	11,484	14,670
Goodwill impairment	1,000	1,829	21,845
Impairment of inventories	2,977	1,542	1,508
Impairment of trade receivables	(1,098)	2,371	1,395
Impairment of financial assets	6,216	40	54
TOTAL	**35,107**	**42,974**	**79,465**

Direct costs break down as follows:

(in thousands of euros)	2008	2009	2010
Cost of terminals	(323,669)	(279,460)	(302,886)
Cost of services and software	(79,942)	(95,524)	(156,879)
TOTAL DIRECT COSTS	**(403,610)**	**(374,984)**	**(459,765)**
Indirect costs	(52,748)	(54,796)	(81,120)
TOTAL COST OF SALES	**(456,358)**	**(429,780)**	**(540,885)**

The capitalized portion of research and development expenses is as follows:

(in thousands of euros)	2008	2009	2010
Amount of research and development capitalized	5,723	7,961	5,496
Total R&D expenditure (costs and investment) (*)	67,551	83,600	89,743
SHARE OF CAPITALIZED R&D EXPENDITURE AS %	**8%**	**10%**	**6%**

(*) Net of 2010 research tax credit of €2,165,000 (€1,781,000 in 2009).

9. Other operating income and expenses

Other operating income and expenses include:

(in thousands of euros)	2008	2009	2010
Restructuring costs	(9,051)	(9,787)	(9,934)
Litigation expenses	701	(276)	(168)
Gains/(losses) on disposal of assets		(2,725)	1,161
Impairment loss on an available-for-sale asset	(6,414)		
Disposal or retirement of property, plant and equipment or intangible assets	(481)	(408)	(883)
Impairment losses			(22,086)
Gains and losses on remeasurement of shareholdings			8,303
Other	775	(192)	487
TOTAL	**(14,471)**	**(13,387)**	**(23,121)**

In 2010, other operating income and expenses are comprised mainly of the following:

- Restructuring costs for the Group reorganization in a total amount of € 9.9 million, in particular for:
  - additional costs of € 2.5 million for the migration of applications to the Telium platform;
  - costs incurred on the disposal, abandon or reorganization of operations of € 1.7 million;
  - costs incurred at the time of the project of a take-over bid for the Group in the last quarter of 2010, amounting to € 3,8 million;

- the profit on disposal of the subsidiary Mynt Betal Norvège in December 2010 of € 1.3 million;

- impairment loss on the goodwill of the North America cash-generating unit amounting to € 21.4 million;

- the gain on remeasurement to fair value at the time of a business combination achieved in stages amounting to € 8.3 millions, in conformity with IFRS 3R adopted by the Group in 2010.The gain represents the excess of the initial fair value of the proportionate share of equity determined in function of the acquisition price paid to obtain control, and its carrying amount.

In 2009, other operating income and expenses primarily included the following:

- A total of € 9.8 million in restructuring charges incurred in connection with the reorganization of Group activities, chiefly research & development. That amount breaks down as follows:
  - € 3.9 million to cover the cost of measures for the benefit of Ingenico Barcelona employees.
  - € 2.3 million in additional costs related to the migration of applications to the Telium platform.

- Costs of € 3.6 million on the disposal, abandon or reorganization of operations.

• Losses on the disposal of Group subsidiaries: a € 1.2 million loss on the disposal of Sagem Denmark and Manison Finland in June 2009, and a € 1.5 million loss on the disposal of Moneyline Banking Systems in December 2009.

In 2008, the net non-recurring expense of € 14.5 million primarily included the following:

• Restructuring charges incurred when operations were sold, discontinued or reorganized, along with the cost of measures for the benefit of employees affected by staff adjustment programs: € 5.2 million at Ingenico Barcelona, mainly as part of the redeployment of research & development activities within the Group; and in France, € 2.3 million in restructuring fees and € 1.1 million in layoff costs.

• A net gain of € 0.7 million on litigation and other business disputes that includes sums committed for the Company's defense and sums received or paid on resolution.

10. Net finance costs

Net finance costs are broken down as follows:

(in thousands of euros)	2008	2009	2010
Other interest expense	(2,656)	(3,331)	(10,626)
Interest expense on finance lease contracts			(1,024)
TOTAL INTEREST EXPENSE	**(2,656)**	**(3,331)**	**(11,650)**
Income from cash and cash equivalents	2,095	1,840	501
Interest income on finance lease contracts			2,864
NET INTEREST EXPENSE	**(561)**	**(1,492)**	**(8,285)**
Foreign exchange gains	42,217	32,359	56,353
Foreign exchange losses	(44,094)	(34,601)	(54,937)
FOREIGN EXCHANGE GAINS AND LOSSES, NET	**(1,877)**	**(2,243)**	**1,415**
Gains/(losses) on other investments (remeasurement, disposal)	66	(356)	(539)
Other financial income	648	3,026	12
Other financial expenses	(5,723)	(1,139)	(2,397)
OTHER FINANCIAL INCOME AND EXPENSES, NET	**(5,008)**	**1,531**	**(2,924)**
NET FINANCE COSTS	**(7,446)**	**(2,204)**	**(9,794)**

In 2010, net finance costs are as follows:

Interest expense is related to the short- and long- term loans, and the lease contracts. The interest on the medium-term loans concerns two loans obtained by Ingenico SA: a syndicated loan of € 210 million at the end 2009 for the easycash acquisition, and a facility of € 100 million in July 2010 of which € 34 million was drawn down in August 2010. The interest expense on these two loans amounts to € 8.6 million, with an additional negative impact of € 1 million from the change in the fair value of the interest cap. Interest on short-term borrowings amounts to € 0.9 million, mostly for the loan of the Brazilian subsidiary which was repaid on December 31, 2010. Interest income and expense on finance lease contracts concern mainly easycash GmbH.

In addition to loan interest and the net interest income from finance lease contracts, net finance costs also include income from cash and cash equivalents.

Foreign exchange gains and losses show a net gain of € 1.4 million. It is the result of realized and unrealized gains and losses from the Group's business activities, and of the hedging policy of the Company covering exchange for the Group as a whole (see note 4.2 Exchange risk).

Other financial income and expenses comprise:

• changes in the fair value of financial instruments which do not qualify as hedges;

• dividends paid to the minority shareholders of the Chinese subsidiary, Fujian Landi (see note 12 Goodwill);

• the unwinding of the discounted present value of share purchase commitments with minority shareholders and of post-employment benefit obligations (see note 26, Post-employment benefits).

In 2009, short- and medium-term loans contracted by the parent company and Ingenico Brazil accounts for the bulk of interest expense. The interest expense recorded by the parent company is related to amounts drawn down on a € 60 million line of credit starting in December 2008, which was fully repaid by the end of April 2009, and to a new € 210 million syndicated loan arranged in September 2009 to finance the acquisition of easycash.

Income from cash and cash equivalents consists mainly of gains on the disposal of securities by the parent company. Foreign exchange risk is primarily assumed and therefore hedged by the parent company. In 2009, net foreign exchange losses total € 2.2 million.

The main components of the € 1.5 million positive balance in other financial income and expenses are a gain on the disposal of available-for-sale financial assets and expenses related to the unwinding of the discounted present value of put options on minority interests and the change in the fair value of plan assets related to of post-employment defined benefit obligations of a number of subsidiaries.

In 2008, short- and medium-term loans contracted by the parent company and Ingenico Brazil accounted for the bulk of interest expense. The interest expense recorded by the parent company was related to the drawdown in late December of the entire A Tranche of the syndicated loan arranged in May 2007. The sharp decline in interest expense in 2008 can be attributed to positive developments in terms of cash and debt. Net cash inflow virtually doubled and the Group went from a net debt position to a net cash position following the redemption and conversion of OCEANE bonds.

Income from cash and cash equivalents consisted of interest on cash equivalents and other investments.
Net foreign exchange losses totaled € 1.9 million.

Other financial income and expenses showed a net negative balance of € 5 million. The explanation for this lies mainly with the devaluation of the Brazilian real against the U.S. dollar and its effect on an interest rate instrument attached to a loan denominated in real.

On the basis of IAS 39, financial income and expenses are as follows:

Items recognized in profit or loss	2008	2009	2010
Interest income on bank deposits	528	900	367
Interest income on finance lease contracts			2,864
Income from sale of financial assets held for trading	2,209	3,578	74
Foreign exchange gains			2,577
Others			19
FINANCIAL INCOME	**2,738**	**4,477**	**5,902**
Interest expense on borrowings stated at amortized cost	(7,980)	(4,125)	(10,661)
Interest expense on finance lease contracts			(1,024)
Unwinding of discounting			(1,269)
Change in fair value of financial assets held for trading	(262)	(193)	(546)
Net foreign exchange loss	(1,118)	(3,160)	
Ineffective portion of the change in fair value of exchange rate cash flow hedging instruments	(823)	797	(1,160)
Loss on change in fair value of interest rate hedges	-	-	(1,035)
FINANCIAL EXPENSE	**(10,183)**	**(6,681)**	**(15,696)**
FINANCE COSTS	**(7,446)**	**(2,204)**	**(9,794)**

Items directly recognized in equity	2008	2009	2010
Net change in fair value of available-for-sale financial assets	489	-	-
Effective portion of the change in fair value of exchange rate cash flow hedging instruments	(173)	2,381	(46)
Effective portion of the change in fair value of interest rate cash flow hedging instruments	1	147	(659)
RECOGNIZED IN FAIR VALUE RESERVES	**318**	**2,528**	**(705)**

11. Income Tax

Income tax expense on the earnings of consolidated companies

(in thousands of euros)	2008	2009	2010
Current tax	(18,677)	(23,047)	(28,096)
Deferred tax	5,295	4,926	5,381
TOTAL	**(13,382)**	**(18,121)**	**(22,715)**

In 2010, income tax expense for the period mainly reflects:

- Current tax payable in France, Germany, Brazil, the United States and Canada.
- A credit to deferred tax expense from the recognition of deferred tax assets – mainly in France, China and Germany – to account for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

Deferred tax assets are recognized by the Group based on the particular situation of the entity, or group of entities in the case of a tax group, in each country, and on the expiry dates of tax losses and tax credits.

Tax losses and tax credits are therefore recognized as assets only if it is highly probable that taxable income of the relevant tax entities will be available to permit their recovery.

In 2009, income tax expense concerned in particular current tax in France, Brazil and Italy and the deferred tax credit from the recognition of deferred tax assets mainly in Brazil, Australia and France, on temporary differences between the book and tax bases of assets and liabilities.

In 2008, income tax expense mainly reflected current tax of Ingenico France (ex-Sagem Monetel) and of Ingenico in Canada, Italy and the United Kingdom. A tax credit resulted from the use and the recognition as tax assets of previously unrecognized tax losses, particularly in France and Australia.

Following the reform of the French local business tax, the Group has decided to classify one of the components of new tax ('CVAE') as income tax (see note 2 Accounting principles and methods). In 2010, the amount of CVAE so classified was € 2 million. The net deferred tax liability of € 868K, which had been recognized at the end of 2009 as the relevant legislation had been enacted in that year, is credited to profit or loss in the same periods as the related amortization and depreciation expense of French companies

Group tax reconciliation

Income tax expense is based on the application of the effective tax rate at the reporting date to profit before income tax for the year ended December 31, 2010. In France, deferred tax is calculated using the current enacted tax rate, which is 34.43 percent for 2010 onward.

The following table shows a reconciliation of the theoretical tax expense calculated at the applicable rate and the recognized income tax expense. The reconciling items reflect the effect of tax rate differentials and changes as well as that of non-taxable benefits or non-deductible expenses arising from permanent differences between local tax bases and the financial statements presented under IFRS.

Reconciliation between income tax expense and profit before income tax

(in thousands of euros)	2008	2009	2010
PROFIT FOR THE PERIOD (EXCL. SHARE OF ASSOCIATES' PROFIT)	36,682	27,123	41,260
INCOME TAX EXPENSE	(13,382)	(18,121)	(22,715)
PROFIT BEFORE INCOME TAX	50,064	45,244	63,975
Tax rate in France	34.43%	34.43%	34.43%
Theoretical tax expense	(17,237)	(15,578)	(22,027)
Difference between the French tax rate and that of foreign subsidiaries	1,696	2,242	5,550
Tax losses and temporary differences of the year not recognized	(1,398)	(3,103)	(5,033)
Prior period temporary differences and tax losses recognized as deferred tax assets in the period		2,702	3,085
Use of prior period tax losses not recognized as deferred tax assets	7,928	2,891	1,049
Tax credits	2,417	1,562	(1,017)
Effect of permanent differences and other	(6,788)	(8,837)	(4,322)
TOTAL	(13,382)	(18,121)	(22,715)
Effective tax rate	26.73%	40.05%	35.51%

Change in deferred tax assets and liabilities

(in thousands of euros)	Deferred tax assets from tax losses	Deferred tax assets from temporary differences	Total deferred tax assets	Total deferred tax liabilities	Total deferred tax, net
AT DECEMBER 31	12,070	7,320	19,391	(835)	18,556
Deferred tax recognized in profit or loss	(2,574)	1,526	(1,048)	6,342	5,295
Deferred tax recognized in equity and on business combinations	148	3,873	4,021	(30,299) [a]	(26,278)
Translation differences	(460)	(496)	(956)	(203)	(1,159)
Other movements		(778)	(778)	778	
AT DECEMBER 31	9,184	11,445	20,631	(24,216)	(3,586)
Deferred tax recognized in profit or loss	(2,173)	2,742	569	4,357	4,926
Deferred tax recognized in equity and on business combinations		883	883	(23,546) [b]	(22,663)
Translation differences	469	1,032	1,501	13	1,514
Other movements	(535)	294	(243)	103	(140)
AT DECEMBER 31	6,945	16,394	23,341	(43,289)	(19,948)
Deferred tax recognized in profit or loss	(3,884)	4,792	908	4,473	5,381
Deferred tax recognized in equity and on business combinations		(726)	(726)	(2,733) [c]	(3,459)
Translation differences	360	1,421	1,781	5	1,786
Other movements	383	(2,804)	(2,421)	2,421	(0)
AT DECEMBER 31	3,804	19,077	22,883	(39,123)	(16,240)

[a] This figure includes deferred tax liabilities resulting from the allocation of the acquisition price of Sagem's Payment Terminal business and of the Fujian Landi company to these entities' identifiable assets and liabilities.

[b] This figure includes deferred tax liabilities resulting from the allocation of the acquisition price of the easycash group to its identifiable assets and liabilities.

[c] This figure includes deferred tax liabilities resulting from the allocation of the acquisition price of Fixed and Mobile Pte, Ingenico Services Iberia and Ingenico Prepaid Services France to these entities' identifiable assets and liabilities.

Breakdown by type of temporary difference

(in thousands of euros)	2008	2009	2010
DEFERRED TAX ASSETS BY TYPE OF TEMPORARY DIFFERENCE			
Property, plant and equipment and other intangible assets	(2,236)	613	1,536
Employee benefits	5,208	2,382	1,147
Inventories, receivables, payables and provisions	9,331	12,810	16,597
Unutilized tax losses and credits	9,184	6,942	3,804
Other (including financial instruments)	(856)	594	(201)
TOTAL DEFERRED TAX ASSETS	20,631	23,341	22,883
DEFERRED TAX LIABILITIES BY TYPE OF TEMPORARY DIFFERENCE			
Property, plant and equipment and other intangible assets	(27,113)	(47,013)	(38,776)
Employee benefits	767	350	3,157
Inventories, receivables, payables and provisions	2,042	2,713	(3,310)
Unutilized tax losses and credits		662	(0)
Other (including financial instruments)	88	(1)	(193)
TOTAL DEFERRED TAX LIABILITIES	(24,216)	(43,289)	(39,123)
TOTAL DEFERRED TAX, NET	(3,585)	(19,948)	(16,240)

Breakdown of unrecognized deferred tax assets

(in thousands of euros)	2008	2009	2010
Deferred tax from tax losses	10,164	6,583	13,468
Deferred tax from temporary differences	3,614	4,991	6,668
TOTAL	13,778	11,574	20,137

12. Goodwill and other intangible assets

Goodwill

(in thousands of euros)	2008	2009	2010
AT JANUARY 1	106,324	221,437	414,227
Investments	118,623	217,381	48,866
Disposals (Denmark & Manison - Moneyline Banking Systems)		(25,882)	
Impairment losses	(1,000)		(22,086)
Translation differences	(4,880)	1,416	4,018
Modifications			21,236
Others	2,370	(126)	
AT DECEMBER 31	221,437	414,227	466,260

The Group has implemented a new organizational structure from April 1, 2010 in order to take proper account of the implications of SEPA (the « Single Euro Payment Area »). A newly renamed operating segment has therefore been set up, in addition to the other four large ones. The new segment is essentially based on the former Northern Europe and Southern Europe segments.

As a result of the reorganization and the related management reporting system changes, the reportable segments, which are also the operating segments, are as follows:

- SEPA;
- Asia - Pacific (Australia, China...);
- North America (United States, Canada...);
- Latin America (Brazil, Mexico...);
- Central Europe, Africa, the Middle East.

The businesses of the former Northern Europe and Southern Europe operating segments, together with the new activities conducted throughout SEPA, are now managed under a common operational and investment strategy which aims to develop the business within a single integrated economic area, and which covers the essential part of the markets expected to benefit from the implementation of SEPA. This organization should help the Group to roll out over these markets a coherent commercial offer, based on its experience and know-how concerning payment solutions and transaction processing.

The reorganization is also intended to bring about the integration and rationalization of the European operations in terms of IT infrastructures, software development, and administration within an integrated economic area.

It follows that the SEPA operating segment represents a new cash-generating unit (CGU), as the cash inflows generated by the former European CGUs, Northern Europe, Germany, France, Spain, MBS and Poland are no longer largely independent of each other. The comparative 2008 and 2009 disclosures have been restated in consequence.

Breakdown of goodwill

		2008			2009			2010		
Unités,Génératrices,de,trésorerie (en,milliers,d'euros)		Gross carrying amount	Total impairment losses	Net carrying amount	Gross carrying amount	Total impairment losses	Net carrying amount	Gross carrying amount	Total impairment losses	Net carrying amount
SEPA	Northern Europe	33,455	(27)	33,428	8,950	(46)	8,903	9,241	(748)	8,493
	Germany	5,523		5,523	220,004		220,004	227,265		227,265
	France	35,235		35,235	35,235		35,235	41,830		41,830
	Spain	5,708		5,708	5,708		5,708	24,806		24,806
	Italy	12,113	(1,096)	11,017	12,113	(1,096)	11,017	12,113	(1,096)	11,017
	Moneyline Banking Systems	2,834	(1,500)	1,334						
	Poland	855		855	851		851	851		851
		95,723	**(2,623)**	**93,101**	**282,860**	**(1,142)**	**281,718**	**316,107**	**(1,844)**	**314,263**
ASIA / PACIFIC	Asia	18,337	(376)	17,961	20,536	(376)	20,160	57,596	-	57,596
	Pacific	6,483	(3,651)	2,832	8,210	(4,623)	3,586	4,371	-	4,371
		24,821	**(4,027)**	**20,793**	**28,746**	**(4,999)**	**23,747**	**61,966**	**-**	**61,967**
NORTH AMERICA	North America	66,917		66,917	66,527		66,527	67,394	(21,392)	46,002
LATIN AMERICA	Latin America	5,701		5,701	7,364		7,364	8,339		8,339
CENTRAL EUROPE / MIDDLE EAST / AFRICA	Central Europe / Middle East / Africa	34,926		34,926	34,871		34,871	35,691		35,691
TOTAL		**228,088**	**(6,650)**	**221,437**	**420,368**	**(6,142)**	**414,227**	**489,496**	**(23,235)**	**466,260**

In 2010

Since January 1, 2010, the Group applies IFRS 3R and IAS 27 as amended for the recognition of business combinations and the acquisitions of non-controlling interests. This change in accounting method has been applied to acquisitions and transfers of control occurring on or after January 1, 2010. Adjustments to goodwill in respect of acquisitions and transfers of control occurring prior to that date are made on the basis of the method which applied previously.

The increase in goodwill is principally due to acquisitions in 2010 Ingenico Prepaid Services France for € 6.6 million and Ingenico Services Iberia for €19.1 million, and the control taken in Fixed & Mobile Pte Ltd for € 23.2 million. The other changes in the carrying value of goodwill are due to the remeasurement of liabilities relating to the Chinese subsidiary Fujian Landi following the application of the purchase agreement, for € 14 million, or changes in the fair value of assets and liabilities at the date of acquisition, in respect of easycash, for € 7.2 million.

Acquisitions and control (under IFRS 3R)

The fair values of identifiable assets acquired and liabilities and contingent liabilities assumed of the above-mentioned acquired entities has been measured on a provisional basis, and will be finalized subsequently.

Transaction costs of 2010 acquisitions amounted to € 1.2 million, and are recognized in other operating expenses.

Ingenico Prepaid Services France

The acquisition price of Ingenico Prepaid Service France amounts to € 7.3 million.

A provisional allocation of the acquisition price of Ingenico Prepaid Services France was performed in the second half of 2010 and will be finalized no later than 12 months from the date of obtaining control of the company.

A determination of the fair value of assets and liabilities has been performed.

This led to the identification of intangible assets with a total value of € 1.8 million that had not been recognized in the financial statements of Ingenico Prepaid Services France:

- The customer portfolio, for € 2.7 million, to be amortized over 5 years
- Deferred tax liabilities of € 0.9 million.

The fair value of identifiable net assets at the date of acquisition was € 0.7 million

Goodwill therefore amounts to € 6.6 million.

Ingenico Services Iberia

The acquisition price of Ingenico Services Iberia amounts to € 27.9 million.

A provisional allocation of the acquisition price of Ingenico Services Iberia was performed in the second half of 2010 and will be finalized no later than 12 months from the date of obtaining control of the company.

A determination of the fair value of assets and liabilities has been performed.

This led to the identification of intangible assets with a total value of € 7.4 million that had not been recognized in the financial statements of Ingenico Services Iberia:

- The customer portfolio, for € 9.7 million, to be amortized over 5 years
- Platform: € 0.9 million, to be amortized over 5 years
- Deferred tax liabilities of € 3.2 million.
- The fair value of identifiable net assets at the date of acquisition was € 8.8 million

Goodwill therefore amounts to € 19.1 million.

Fixed & Mobile Pte Ltd

The Group took control of Fixed & Mobile Pte Ltd in July 2010, when it acquired a further 52% of the shares for consideration of US$ 22.7 million (€ 18.5 million), in addition to the 38 % held since July 2009. The remaining 10% is still held by the former owner, to whom Ingenico has given a put option.

Under IFRS 3R, an implementation of a business combination in stages requires to determine goodwill on the basis of the fair value of the initial holding of 38 %, the acquisition price and the fair value of the put option, of which is deducted the amount of total net assets acquired (the fair value of the identifiable assets and liabilities). The remeasurement to fair value of the initial holding results in an amount of € 8.3 million being recognized in profit, in other operating income. The gain was calculated as the difference between the fair value of the initial holding, including the premium paid to obtain control, and its carrying amount.

A provisional allocation of the acquisition price of Fixed & Mobile Pte Ltd was performed in the second half of 2010 and will be finalized no later than 12 months from the date of obtaining control of the company.

A determination of the fair value of intangible assets has been performed.

This led to the identification of intangible assets with a total value of € 3.3 million that had not been recognized in the financial statements of Fixed & Mobile Pte Ltd:

- The customer portfolio, for € 1.9 million, to be amortized between 4 and 5 years
- Platform: € 2.0 million, to be amortized over 7.5 years
- Deferred tax liabilities of € 0.6 million.

The fair value of identifiable net assets at the date of acquisition was 9.5 million Singapore dollars (€ 5.6 million).

Goodwill therefore amounts to € 23.2 million.

Remeasurement of goodwill (applying IFRS 3)

The Group has made the following adjustments or remeasurements of goodwill:

Fujian Landi (acquired in July 2008):

The Group has prepared a revised business plan for its Chinese subsidiary to reflect its currently forecast results. The fair value of the put option over 32 % of the shares has in consequence been remeasured by an amount of € 14.0 million. The goodwill of Fujian Landi has been increased by the same amount, and now amounts to € 32.6 million.

easycash (acquired at the end of December 2009):

At the end of 2009, the Group had recognized goodwill of € 214.5 million on the basis of the fair values of the assets and liabilities of the sub -group acquired as of the date of acquisition, estimated as of December 31, 2009.

In 2010, during the integration of the sub-group, and within 12 months of the acquisition, the Group was led to adjust its measurement of assets and liabilities acquired, for a total of € 7.2 million. The net reduction in fair values concerned principally finance lease receivables, in an amount of € 4.4 million, and current tax liabilities of € 2.2 million arising prior to the acquisition, but which had not been recognized. At December 31, 2010, its goodwill has therefore been increased to € 221.7 million.

Impairment losses

Impairment tests performed during the fourth quarter of 2010 resulted in an impairment loss on the goodwill of the North America CGU of approximately € 21. 4 million (see « Impairment of assets »).

In 2009

The change in goodwill mainly reflects the acquisition of the easycash group on November 30, 2009, for € 214.5 million, and the sale of the companies Sagem Denmark and Manison Finland on June 11, 2009.

Impairment tests conducted in the fourth quarter of 2009 did not lead the Group to recognize any goodwill impairment.

In 2008

The increase in goodwill was primarily due to the acquisition, in the first half of 2008, of Sagem's Payment Terminal business, for € 106.9 million and Fujian Landi, for € 10.8 million. The other changes reflected buyouts of non-controlling interests and an adjustment to the initial goodwill for the Group's Turkish subsidiary.

Impairment tests conducted in the fourth quarter of 2008 led the Group to recognize a goodwill impairment loss of € 1 million on Moneyline Banking Systems.

Goodwill impairment tests

Ingenico tested the carrying amounts of goodwill for impairment. This procedure, chiefly based on the after-tax discounted future cash flow method, consists of measuring the recoverable amount of each cash-generating unit (CGU) which generates independent cash flows. A CGU is a geographic region in which the Group operates. Impairment tests are performed in the fourth quarter of each year using cash flow projections based on existing business forecasts for the three-year period following the current year, including growth and profitability rates based on reasonable assumptions. Discount rates (based on the weighted average cost of capital) are determined for each CGU based on an analysis of the business segment in which the Group operates. Existing forecasts are based on both past experience and market growth outlook.

The main assumptions used to calculate the recoverable amount of goodwill are as follows:

2010

Segments	SEPA								ASIA / PACIFIC			NORTH AMERICA	LATIN AMERICA	CENTRAL EUROPE / MIDDLE EAST / AFRICA	
Cash-generating units	Northern Europe	Germany	France	Spain	Italy	Poland	Moneyline Banking Systems	TOTAL SEPA	Asia	Pacific	TOTAL ASIA / PACIFIC	North America	Latin America	Central Europe / Middle East / Africa	TOTAL
Net carrying amount of good-will (in thousands of euros)	8,493	227,265	41,830	24,806	11,017	851	-	**314,262**	57,596	4,371	**61,967**	46,002	8,339	35,691	**466,260**
Valuation method for the cash generating unit	Value in use														
Number of years over which cash flows are estimated	3 years														
Long-term growth rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%		2.00%	2.00%		1.00%	2.00%	1.94%	
Weighted average cost of capital used at Dec. 31, 2010	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%		12.15%	12.15%		11.44%	14.10%	12.72%	

2009

Segments	SEPA								ASIA / PACIFIC			NORTH AMERICA	LATIN AMERICA	CENTRAL EUROPE / MIDDLE EAST / AFRICA	
Cash-generating units	Northern Europe	Germany	France	Spain	Italy	Poland	Moneyline Banking Systems	TOTAL SEPA	Asia	Pacific	TOTAL ASIA / PACIFIC	North America	Latin America	Central Europe / Middle East / Africa	TOTAL
Net carrying amount of good-will (in thousands of euros)	8,903	220,004	35,235	5,708	11,017	851	-	**281,718**	20,160	3,586	**23,746**	66,527	7,364	34,871	**414,227**
Valuation method for the cash generating unit	Value in use														
Number of years over which cash flows are estimated	3 years														
Long-term growth rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.94%	1.00%		2.00%	1.00%		1.00%	2.00%	1.94%	
Weighted average cost of capital used at Dec. 31, 2009	11.36%	10.86%	11.16%	11.45%	11.86%	12.72%	11.16%		11.45%	13.18%		11.44%	14.10%	12.72%	

2008															
Segments	SEPA								ASIA / PACIFIC			NORTH AMERICA	LATIN AMERICA	CENTRAL EUROPE / MIDDLE EAST / AFRICA	
Cash-generating units	Northern Europe	Germany	France	Spain	Italy	Poland	Moneyline Banking Systems	TOTAL SEPA	Asia	Pacific	TOTAL ASIA / PACIFIC	North America	Latin America	Central Europe / Middle East / Africa	TOTAL
Net carrying amount of good-will (in thousands of euros)	33,428	5,523	35,235	5,708	11,017	851	1,334	**93,096**	17,961	2,832	**20,793**	66,917	5,701	34,930	**221,437**
Valuation method for the cash generating unit	Value in use														
Number of years over which cash flows are estimated	3 years														
Long-term growth rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.94%	1.00%		2.00%	1.00%		1.00%	2.00%	1.94%	
Weighted average cost of capital used at Dec. 31, 2008	11.36%	10.86%	11.16%	11.45%	11.86%	12.72%	11.16%		11.45%	13.18%		11.44%	14.10%	12.72%	

The assumptions concerning growth rates and weighted average cost of capital (WACC) used in the determination of the recoverable amounts of all CGUs have been reassessed in the light of changes in global market information. The Group has used medium-term WACCs.

The changes in discount rate come from changes in the underlying components: the risk-free rate, the risk premium, and the Beta (the volatility of Ingenico's share price compared with that of the stock exchange as a whole). The long-term growth rate used by the Group does not exceed that of its business sector.

The use of a pre-tax discount rate to pre-tax cash flows would not have changed significantly the recoverable amounts of the CGUs.

Historically, the Group is in a position of a challenger on the U.S. market, particularly in the small retailer sector, dominated by its two American competitors. The risks related to the turnround of its business were disclosed in the Group's 2010 half year business report. Reported third quarter revenue for North America showed a further decline over that of the same period in 2009. On the other hand, 2010 final quarter revenue is stable. The reassessment of the effort needed for the migration of its products to the Telium platform and acquire market share has led the Group to impair the goodwill of the North America CGU in an amount of € 21.4 million in 2010, without any impact on Group cash resources.

The Group remains very positive on its prospects in the medium-term on the North American market, expecting average annual growth of 10 % over the next few years. If this medium-term expectation is not realized by the North America CGU, further impairment of goodwill will be needed. Should the shortfall be 30 % under medium-term targets, additional impairment of € 2.7 million would be recognized.

Prudent discount rates are used by the Group for its impairment tests. The sensitivity of the WACC to increases of 1 or 2 points in the discount rate would have resulted in increased impairment losses in the North America CGU of € 8 million and € 15 million, respectively.

Finally, in respect of the other CGUs, a sensitivity analysis regrouping key parameters, namely the discount rate and the long-term growth rate, has shown that, under all reasonable changes in assumptions, there is no probable scenario in which the recoverable amount of a CGU would be less than its carrying amount.

Other intangible assets

	2010				
(in thousands of euros)	Licenses, trademarks, technology	Development expenses (incurred internally)	Other intangible assets	Adavances and down payments	TOTAL
COST					
AT JANUARY 1	**27,350**	**65,369**	**170,736**	**-**	**263,456**
Investments	1,403	5,337	4,223		10,963
Disposals	(283)	-	(30)		(313)
Changes in consolidation scope (*)	3,710	-	13,331		17,041
Translation differences	1,038	477	1,347		2,863
Others	(2,833)	(1,579)	2,972		(1,440)
AT DECEMBER 31	**30,386**	**69,605**	**192,580**	**-**	**292,570**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES					
AT JANUARY 1	**(17,022)**	**(36,298)**	**(43,587)**	**-**	**(96,907)**
Amortization	(4,937)	(9,725)	(25,330)		(39,992)
Disposals and impairment losses	152	-	18		170
Changes in consolidation scope (*)	-	-	-		-
Translation differences	(706)	(471)	(618)		(1,795)
Other	739	1,872	153		2,765
AT DECEMBER 31	**(21,774)**	**(44,622)**	**(69,363)**	**-**	**(135,759)**
CARRYING AMOUNT					
AT JANUARY 1	**10,329**	**29,071**	**127,149**	**-**	**166,549**
AT DECEMBER 31	**8,612**	**24,983**	**123,216**	**-**	**156,810**

(*) The change in consolidation scope in 2009 primarily reflects the acquisition of the easycash Group on November 30, 2009, and the sale of the companies Sagem Denmark and Manison Finland on June 11, 2009.

Amortization expense on intangible assets identified during the allocation of the acquisition price for the 2010 business combinations is as follows:

- an amount of 320 K€ for Ingenico Prepaid Services France from June 1, 2010 to December 31, 2010.
- an amount of 315 K€ for Fixed & Mobile Pte Ltd from July 1, 2010 to December, 2010.
- an amount of 529 K€ for Ingenico Services Iberia from October 1, 2010 to December 31, 2010.

The 2010 amortization expense on intangible assets identified during acquisitions was as follows:

Amortization expense on assets identified	SAGEM			EASYCASH			OTHERS (Moneyline, Turkey, Landi, Payzone, Fixed & Mobile, FDI)					TOTAL amortization for the period
(in thousands of euros)	Carrying amount at Dec. 31, 2009	Amortization in 2010	Carrying amount at Dec. 31, 2010	Carrying amount at Dec. 31, 2009	Amortization in 2010	Carrying amount at Dec. 31, 2010	Carrying amount at Dec. 31, 2009	Deconsolidation	Amortization in 2010	Translation differences	Carrying amount at Dec. 31, 2010	
INTANGIBLE ASSETSS												
CONCESSIONS, PATENTS & SIMILAR RIGHTS												
Hardware and software technology under development	13,720	(3,430)	10,290	-	-	-	-	-	-	-	-	(3,430)
Existing hardware and software technology	7,233	(5,786)	1,447	4,550	(1,287)	3,263	1,900	2,843	(1,136)	46	3,652	(8,210)
Software applications	7,374	(2,269)	5,105									(2,269)
Brand name	-	-	-	-	-	-	1,725	58	(1,182)	146	747	(1,182)
OTHER INTANGIBLE ASSETS												
Long-term customer contracts	30,230	(3,664)	26,566	69,488	(7,751)	61,737	7,396	14,239	(2,289)	715	20,061	(13,704)
TOTAL INTANGIBLE ASSETS	**58,557**	**(15,149)**	**43,408**	**74,038**	**(9,038)**	**65,000**	**11,020**	**17,140**	**(4,607)**	**907**	**24,460**	**(28,795)**
INVENTORIES	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL IDENTIFIED AND ALLOCATED ASSETS	**58,557**	**(15,149)**	**43,408**	**74,038**	**(9,038)**	**65,000**	**11,020**	**17,140**	**(4,607)**	**907**	**24,460**	**(28,795)**

	2009				
(in thousands of euros)	Licenses, trademarks, technology	Development expenses (incurred internally)	Other intangible assets	Adavances and down payments	TOTAL
COST					
AT JANUARY 1	**24,357**	**58,102**	**84,101**	**-**	**166,561**
Investments	1,768	7,961	605		10,334
Disposals	(1,243)		(133)		(1,376)
Changes in consolidation scope (*)	1,852		86,505		88,356
Translation differences	(14)	(218)	(362)		(594)
Others	631	(476)	20		175
AT DECEMBER 31	**27,350**	**65,369**	**170,736**	**-**	**263,456**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES					
AT JANUARY 1	**(15,056)**	**(29,170)**	**(19,078)**	**-**	**(63,304)**
Amortization	(3,943)	(7,818)	(13,946)		(25,708)
Disposals and impairment losses	1,243		730		1,973
Changes in consolidation scope (*)	758		(11,260)		(10,501)
Translation differences	(30)	215	131		315
Other	6	476	(164)		318
AT DECEMBER 31	**(17,022)**	**(36,298)**	**(43,587)**	**-**	**(96,907)**
CARRYING AMOUNT					
AT JANUARY 1	**9,302**	**28,932**	**65,023**	**-**	**103,255**
AT DECEMBER 31	**10,329**	**29,071**	**127,149**	**-**	**166,549**

(*) Changes in consolidation scope in 2009 concern principally those arising from the acquisition of easycash on November 30, 2009 and the sale of Sagem Denmark and Manison on June 11, 2009.

The amortization of the intangible assets identified in the purchase price allocation for easycash represented a total of 723 K€ for the period from November 30, 2009, to December 31, 2009.

The 2009 amortization expense on intangible assets identified during acquisitions was as follows:

Amortization expense on assets identified	SAGEM			EASYCASH			OTHERS (Moneyline, Turkey, Landi)					TOTAL amortization for the period
(in thousands of euros)	Carrying amount at Dec. 31, 2008	Amorti-zation in 2009	Carrying amount at Dec. 31, 2009	Amounts identified and allocated first consoli-dation	Amorti-zation in 2009	Carrying amount at Dec. 31, 2009	Carrying amount at Dec. 31, 2008	Deconso-lidation	Amorti-zation in 2009	Trans-lation differences	Carrying amount at Dec. 31, 2009	
INTANGIBLE ASSETSS												
CONCESSIONS, PATENTS & SIMILAR RIGHTS												
Hardware and software technology under development	17,150	(3,430)	13,720	-	-	-	-	-	-	-	-	(3,430)
Existing hardware and software technology	13,019	(5,786)	7,233	4,653	(103)	4,550	2,929	(926)	(5)	(99)	1,900	(6,815)
Software applications	9,643	(2,269)	7,374	-	-	-	-	-	-	-	-	(2,269)
Brand name	-	-	-	-	-	-	3,016	(1,238)	(53)	-	1,725	(1,238)
OTHER INTANGIBLE ASSETS												
Long-term customer contracts	33,895	(3,663)	30,230	70,108	(620)	69,488	8,853	(1,235)	(222)	-	7,396	(5,518)
TOTAL INTANGIBLE ASSETS	**73,707**	**(15,148)**	**58,557**	**74,761**	**(723)**	**74,038**	**14,797**	**(3,399)**	**(279)**	**(99)**	**11,020**	**(19,270)**
INVENTORIES	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL IDENTIFIED AND ALLOCATED ASSETS	**73,707**	**(15,148)**	**58,557**	**74,761**	**(723)**	**74,038**	**14,797**	**(3,399)**	**(279)**	**(99)**	**11,020**	**(19,270)**

	2008				
(in thousands of euros)	Licenses, trademarks, technology	Development expenses (incurred internally)	Other intangible assets	Adavances and down payments	TOTAL
COST					
AT JANUARY 1	**20,668**	**35,600**	**10,266**	**-**	**66,534**
Investments	1,465	5,723	954		8,142
Disposals	-	-	(484)		(484)
Changes in consolidation scope (*)	2,519	17,150	75,188		94,857
Translation differences	(287)	447	636		796
Others	(9)	(817)	(2,459)		(3,285)
AT DECEMBER 31	**24,357**	**58,102**	**84,101**	**-**	**166,561**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES					
AT JANUARY 1	**(12,243)**	**(24,859)**	**(5,854)**	**-**	**(42,956)**
Amortization	(2,972)	(4,561)	(10,081)		(17,615)
Disposals and impairment losses	10	-	63		73
Changes in consolidation scope (*)	(20)	-	(3,177)		(3,197)
Translation differences	203	(421)	(303)		(520)
Other	(34)	671	274		911
AT DECEMBER 31	**(15,056)**	**(29,170)**	**(19,078)**	**-**	**(63,304)**
CARRYING AMOUNT					
AT JANUARY 1	**8,425**	**10,741**	**4,412**	**-**	**23,576**
AT DECEMBER 31	**9,302**	**28,932**	**65,023**	**-**	**103,255**

(*) The change in consolidation scope in 2008 primarily reflects the allocation of goodwill on Sagem's Payment Terminal business and Fujian Landi. Upon inclusion in the consolidated accounts, the following gross amounts were allocated to the intangible assets identified:

- **Sagem Payment Terminal business**
  Research & development
  Technology: € 17,150,000
  Other intangible assets
  Customer portfolio: € 36,643,000
  Technology: € 28,703,000
  The amortization of these intangible assets in the period totaled € 8,790,000, equivalent to nine months of amortization from the date of acquisition of Sagem's Payment Terminal business.
- **Fujian Landi**
  Licenses
  Trademarks: € 2,517,000
  Other intangible assets
  Long-term customer contracts: € 6,534,000
  The amortization of these intangible assets in the period totaled € 875,000, equivalent to six months of amortization from the date of acquisition of Fujian Landi.

The 2008 amortization expense on intangible assets identified during acquisitions are as follows:

Amortization expense on assets identified	SAGEM			LANDI				OTHERS (Moneyline, Turkey)				TOTAL amortization for the period
(in thousands of euros)	Amounts identified and allocated first consolidation	Amortization in 2008	Carrying amount at Dec. 31, 2008	Amounts identified and allocated first consolidation	Amortization in 2008	Translation differences	Carrying amount at Dec. 31, 2008	Carrying amount at Dec. 31, 2007	Amortization in 2008	Translation differences	Carrying amount at Dec. 31, 2008	
INTANGIBLE ASSETSS												
CONCESSIONS, PATENTS & SIMILAR RIGHTS												
Hardware and software technology under development	17,150	-	17,150	-	-	-	-	-	-	-	-	-
Existing hardware and software technology	17,358	(4,340)	13,019	-	-	-	-	4,287	(989)	(369)	2,929	(5,328)
Software applications	11,345	(1,702)	9,643	-	-	-	-	-	-	-	-	(1,702)
Brand name	-	-	-	2,517	(470)	339	2,386	1,005	(304)	(72)	629	(774)
OTHER INTANGIBLE ASSETS												
Long-term customer contracts	36,643	(2,748)	33,895	6,534	(405)	894	7,023	2,617	(530)	(257)	1,830	(3,683)
TOTAL INTANGIBLE ASSETS	**82,497**	**(8,790)**	**73,707**	**9,051**	**(875)**	**1,233**	**9,409**	**7,909**	**(1,823)**	**(698)**	**5,388**	**(11,487)**
INVENTORIES	6,087	(6,087)	-	1,441	(1,614)	173	-	-	-	-	-	(7,701)
TOTAL IDENTIFIED AND ALLOCATED ASSETS	**88,584**	**(14,877)**	**73,707**	**10,492**	**(2,489)**	**1,406**	**9,409**	**7,909**	**(1,823)**	**(698)**	**5,388**	**(19,188)**

At December 31, 2010, there was no indication of impairment of other intangible assets.

13. Property, plant and equipment

2010 (in thousands of euros)	Land and buildings	Plant and equipment	Others assets	Assets in progress	TOTAL
COST					
AT JANUARY 1	**2,319**	**44,835**	**33,596**	**22**	**80,772**
Investments	178	6,445	6,271	293	13,187
Disposals	(58)	(950)	(10,238)	(15)	(11,261)
Changes in consolidation scope	24	1,278	1,184	7	2,494
Translation differences	96	598	2,433	2	3,129
Others	-	(803)	(1,081)	(14)	(1,898)
AT DECEMBER 31	**2,559**	**51,403**	**32,165**	**295**	**86,422**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES					
AT JANUARY 1	**(1,006)**	**(28,508)**	**(18,182)**	**-**	**(47,695)**
Amortization	(405)	(7,375)	(6,869)		(14,649)
Disposals and impairment losses	56	721	6,533		7,309
Changes in consolidation scope	1	-	-		1
Translation differences	(55)	(598)	(1,470)		(2,123)
Other	-	1,074	935		2,009
AT DECEMBER 31	**(1,410)**	**(34,685)**	**(19,052)**	**-**	**(55,147)**
CARRYING AMOUNT					
AT JANUARY 1	**1,313**	**16,327**	**15,414**	**22**	**33,076**
AT DECEMBER 31	**1,149**	**16,718**	**13,113**	**295**	**31,275**

2009 (in thousands of euros)	Land and buildings	Plant and equipment	Others assets	Assets in progress	TOTAL
COST					
AT JANUARY 1	**1,402**	**35,878**	**23,361**	**840**	**61,480**
Investments	496	6,644	5,632	15	12,787
Disposals	-	(1,814)	(1,028)	(61)	(2,903)
Changes in consolidation scope	141	6,130	748	(15)	7,005
Translation differences	4	864	2,691	-	3,559
Others	276	(2,868)	2,192	(757)	(1,156)
AT DECEMBER 31	**2,319**	**44,835**	**33,596**	**22**	**80,772**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES					
AT JANUARY 1	**(611)**	**(22,515)**	**(12,993)**	**-**	**(36,118)**
Amortization	(191)	(6,650)	(4,641)		(11,481)
Disposals and impairment losses	-	1,618	707		2,325
Changes in consolidation scope	(62)	(1,999)	1,118		(943)
Translation differences	(2)	(691)	(1,450)		(2,144)
Other	(140)	1,729	(923)		667
AT DECEMBER 31	**(1,006)**	**(28,508)**	**(18,182)**	**-**	**(47,695)**
CARRYING AMOUNT					
AT JANUARY 1	**791**	**13,363**	**10,367**	**840**	**25,361**
AT DECEMBER 31	**1,313**	**16,327**	**15,414**	**22**	**33,076**

	2008				
(in thousands of euros)	Land and buildings	Plant and equipment	Others assets	Assets in progress	TOTAL
COST					
AT JANUARY 1	**897**	**31,977**	**15,723**	**22**	**48,619**
Investments	438	6,874	5,366	761	13,439
Disposals	(379)	(5,394)	(1,433)	-	(7,206)
Changes in consolidation scope	297	6,133	3,165	96	9,690
Translation differences	(21)	(2,977)	(2,056)	1	(5,054)
Others	170	(735)	2,596	(40)	1,990
AT DECEMBER 31	**1,402**	**35,878**	**23,361**	**840**	**61,480**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES					
AT JANUARY 1	**(512)**	**(20,360)**	**(9,918)**	**-**	**(30,791)**
Amortization	(118)	(5,193)	(2,966)		(8,277)
Disposals and impairment losses	176	4,905	754		5,834
Changes in consolidation scope	(82)	(3,930)	(1,718)		(5,730)
Translation differences	20	1,777	1,195		2,991
Other	(94)	287	(338)		(146)
AT DECEMBER 31	**(611)**	**(22,515)**	**(12,993)**	**-**	**(36,118)**
CARRYING AMOUNT					
AT JANUARY 1	**385**	**11,617**	**5,804**	**22**	**17,829**
AT DECEMBER 31	**791**	**13,363**	**10,367**	**840**	**25,361**

14. Investments in equity-accounted investees

(in thousands of euros)	Fixed and Mobile Pte Ltd	Roam Data	Korvac	TOTAL
Investments in equity-accounted investees (%) 2009	38.27%	43.92%		
Investments in equity-accounted investees (%) 2010		43.92%	49.00%	
AT JANUARY 1	**-**	**-**	**-**	**-**
Goodwill	1,154	3,090		4,244
Share of net assets	1,012	1,662		2,674
INVESTMENT	**2,165**	**4,752**	**-**	**6,917**
Share of profit or loss	(154)	(129)		(283)
Translation differences	12	141		153
AT DECEMBER 31	**2,023**	**4,764**	**-**	**6,787**
Goodwill	38	22	8,938	8,998
Share of net assets	-	-	7,589	7,589
INVESTMENT	**38**	**22**	**16,527**	**16,587**
Share of profit or loss	(110)	(1,081)	(480)	(1,671)
Translation differences	157	401	963	1,521
Change in consolidation method (*)	(2,108)	-	-	(2,108)
AT DECEMBER 31	**-**	**4,106**	**17,010**	**21,116**

(*) Change in consolidation method following the transfer of control in 2010, now fully consolidated

2010

During the second half of 2010, the Group acquired stakes in a company through its subsidiary Ingenico Holding Asia, Korvac Holdings Pte Ltd in Singapore.

Accounting method

Since the governance structure established at the time of the investments provides for control to be exercised jointly by Ingenico and the legacy shareholders, the equity method of accounting is applied.

Goodwill

The goodwill before allocation of the acquisition price of the Korvac group amounts to 16.2 Singapore dollars (€8.9 million), based on the Group share of equity of € 7.6 million. The fair value of identifiable assets and liabilities acquired has been determined on a provisional basis, before obtaining the final measurements.

Call options to acquire outstanding shares

The call option on Roam Data shares is not exercisable immediately, and it was not taken into account in determining the percentage of Ingenico's ownership interest, which therefore equals the percentage of rights acquired.

The fair value of the call options to acquire the outstanding shares has not varied significantly since the acquisition. This value was negligible at the December 31, 2010 reporting date.

Impairment losses

At December 31, 2010, no impairment loss on these investments was recognized in the Group's consolidated financial statements.

2009

During the second half of 2009, through its subsidiary Ingenico Ventures SAS, the Group acquired stakes in two companies:

- Fixed & Mobile Pte Ltd in Singapore.
- Roam Data in the United States.

Accounting method

Since the governance structure established at the time of the investments provides for control to be exercised jointly by Ingenico and the legacy shareholders, the equity method of accounting is applied.

Call options to acquire outstanding shares

Because these call options were not exercisable immediately, they were not taken into account in determining the percentage of Ingenico's ownership interest, which therefore equals the percentage of rights acquired.

The fair value of the call options to acquire the outstanding shares has not varied significantly since the acquisition. This value was negligible at the December 31, 2009 reporting date.

Impairment losses

At December 31, 2009, no impairment loss on these investments was recognized in the Group's consolidated financial statements.

15. Financial assets

At December 31, 2008, 2009 and 2010, financial assets included security deposits and guarantees, equity interests in non-consolidated companies and related receivables.

(in thousands of euros)	2008	2009	2010
Non-current financial assets	3,265	3,567	4,561
TOTAL	**3,265**	**3,567**	**4,561**

16. Other non-current assets

At December 31, 2008, 2009 and 2010, other non-current assets included:

(in thousands of euros)	2008	2009	2010
Receivables	466	182	314
Finance lease receivables	-	13,493	17,747
Tax receivables other than current income tax	-	-	23
Income tax receivables (carry-backs)	324	985	1,110
Prepayments, due in more than one year	240	71	1,265
TOTAL	**1,030**	**14,730**	**20,460**

Other non-current assets are all due in over 12 months. The sharp rise in this line item in 2009 reflects the inclusion of easycash and its finance leasing business in the Group's consolidated accounts.

17. Inventories

(in thousands of euros)	2008	2009	2010
Raw materials and consumables	16,651	17,398	26,780
Finished products	76,312	73,439	97,676
Write-down on raw materials and consumables	(3,825)	(3,291)	(4,923)
Write-down on finished products	(11,926)	(13,316)	(14,036)
NET	**77,211**	**74,230**	**105,497**

The increase in finished products inventory is mainly due to the high level of production activity towards the end of 2010 (+ € 18.7 million), the creation of safety levels of inventory of raw materials (+ € 8.0 million), and the high demand coming from Chinese and Latin American subsidiaries. Currency effects amount to € 5.7 million.

18. Trade and related receivables

Trade and related receivables break down as follows:

(in thousands of euros)	2008	2009	2010
Advances & down-payments to suppliers	5,659	2,170	1,220
Trade receivables on the sale of goods and services	163,428	206,796	251,134
Finance lease receivables	-	12,162	8,088
Employee-related receivables	100	537	384
Tax receivables other than current income tax	8,861	15,975	15,827
Current accounts receivable	257	-	386
Other receivables	3,246	5,571	1,232
Write-downs for bad debt	(4,047)	(17,868)	(24,125)
Write-downs for finance lease receivables	-	-	(8)
Write-downs for other receivables	(114)	(16)	(15)
TOTAL	**177,390**	**225,327**	**254,123**

The increase in trade receivables is principally due to the high level of sales in the fourth quarter of 2010 (+ € 18.9 million), and to the consolidation scope changes from entities acquired in 2010 (€ 17.8 million), mainly from Ingenico Prepaid Services France and Ingenico Service Iberia. Currency effects amount to € 7.6 million.

The finance lease receivables concern principally the easycash sub-group, in an amount of € 8.1 million.

The aging schedule of trade receivables is as follows:

	2010				
	Total	Not due	Overdue		
			< 120 days	120 - 180 days	> 180 days
Trade receivables	251,134	170,723	42,895	7,330	30,186
Write-downs for bad debt	(24,125)	(220)	(2,848)	(499)	(20,560)
NET	**227,008**	**170,503**	**40,048**	**6,831**	**9,625**

Receivables overdue in excess of 180 days without write-downs (€ 9.6 million) are the result of the traditional terminal sales activities in the EEMEA region, where the credit terms taken can be longer than for the Group on average, and also from the business model of certain entities acquired in the year (iPS; iSI). None of these receivables represents a litigious situation, and the Group does not expect any difficulty in recovering the amounts due.

	2009				
	Total	Not due	Overdue		
			< 120 days	120 - 180 days	> 180 days
Trade receivables	206,796	144,768	34,730	6,487	20,811
Write-downs for bad debt	(17,868)	(281)	(1,636)	(487)	(15,464)
NET	**188,928**	**144,487**	**33,094**	**6,000**	**5,347**

The increase in write-downs for doubtful debts in 2009 reflects the inclusion of easycash in the consolidated financial statements of Ingenico's. At December 31, 2009, the easycash Group's share of write-downs for doubtful debts were 68.30 % of the total.

	2008				
	Total	Not due	Overdue		
			< 120 days	120 - 180 days	> 180 days
Trade receivables	163,428	130,812	23,058	2,327	7,232
Write-downs for bad debt	(4,047)	(165)	(223)	(537)	(3,122)
NET	**159,381**	**130,647**	**22,835**	**1,790**	**4,109**

19. Reconciliation of working capital items presented in the balance sheet and the cash flow statement

		2010				
Balance sheet items		31/12/09	Changes in consolidation scope	Net change in working capital	Translation differences and other movements	31/12/10
INVENTORIES		74,230				105,497
Working capital items		74,230	364	22,902	8,001	105,497
CHANGES IN INVENTORIES IN THE CASH-FLOW STATEMENT	**(1)**	**74,230**	**364**	**22,902**	**8,001**	**105,497**
OTHER NON-CURRENT ASSETS		14,730				20,460
Working capital items	Other non-current assets	13,746	1,066	4,415	124	19,350
Non-WC items	Other non-operating receivables	985				1,110
TRADE AND RELATED RECEIVABLES		225,327				254,123
Working capital items	Trade receivables	203,260	15,151	16,818	1,083	236,311
Working capital items	Other operating receivables	19,559	4,463	(7,211)	1,001	17,812
Non-WC items	Other non-operating receivables	2,508				-
OTHER CURRENT ASSETS		5,825				7,440
Working capital items	Other operating receivables	5,085	2,558	(683)	186	7,146
Non-WC items	Other non-operating receivables	739				294
CHANGE IN RECEIVABLES IN THE CASH-FLOW STATEMENT	**(2)**	**241,650**	**23,239**	**13,338**	**2,394**	**280,619**
OTHER NON-CURRENT LIABILITIES		10,385				15,531
Working capital items	Trade payables	6,571	333	2,127	1,468	10,498
Non-WC items	Other non-operating Liabilities	3,814				5,033
TRADE AND RELATED PAYABLES		188,162				267,730
Working capital items	Trade payables	133,622	25,074	46,399	2,770	207,692
Working capital items	Other current liabilities	53,562	3,416	595	2,452	60,025
Non-WC items	Other non-operating liabilities	978				13
OTHER LIABILITIES		47,758				73,816
Working capital items	Other liabilities	28,625	151	3,288	4,041	36,106
Non-WC items	Other non-operating liabilities	19,133				37,710
CHANGE IN LIABILITIES IN THE CASH-FLOW STATEMENT	**(3)**	**222,380**	**28,974**	**52,410**	**10,730**	**314,321**
CHANGE IN NET WORKING CAPITAL	**-(1)-(2)+(3)**	**(93,500)**	**5,372**	**16,170**	**335**	**(71,796)**

		2009				
Balance sheet items		31/12/08	Changes in consolidation scope	Net change in working capital	Translation differences and other movements	31/12/09
INVENTORIES		77,211				74,230
Working capital items		77,211	(4,695)	(2,578)	4,292	74,230
CHANGES IN INVENTORIES IN THE CASH-FLOW STATEMENT	**(1)**	**77,211**	**(4,695)**	**(2,578)**	**4,292**	**74,230**
OTHER NON-CURRENT ASSETS		1,030				14,730
Working capital items	Other non-current assets	705	13,547	(510)	4	13,746
Non-WC items	Other non-operating receivables	324				985
TRADE AND RELATED RECEIVABLES		177,390				225,327
Working capital items	Trade receivables	165,041	24,282	9,519	4,419	203,260
Working capital items	Other operating receivables	12,350	1,220	5,932	56	19,559
Non-WC items	Other non-operating receivables	-				2,508
OTHER CURRENT ASSETS		3,577	-	-	-	5,825
Working capital items	Other operating receivables	3,536	552	866	131	5,085
Non-WC items	Other non-operating receivables	41				739
CHANGE IN RECEIVABLES IN THE CASH-FLOW STATEMENT	**(2)**	**181,631**	**39,601**	**15,808**	**4,610**	**241,650**
OTHER NON-CURRENT LIABILITIES		4,827				10,385
Working capital items	Trade payables	4,535	4	774	1,258	6,571
Non-WC items	Other non-operating Liabilities	291				3,814
TRADE AND RELATED PAYABLES		153,960				188,162
Working capital items	Trade payables	103,184	11,671	12,245	6,522	133,622
Working capital items	Other current liabilities	31,878	2,976	18,128	580	53,562
Non-WC items	Other non-operating liabilities (*)	18,898				978
OTHER LIABILITIES		47,880				47,758
Working capital items	Other liabilities	47,800	(971)	(19,711)	1,507	28,625
Non-WC items	Other non-operating liabilities (*)	80				19,133
CHANGE IN LIABILITIES IN THE CASH-FLOW STATEMENT	**(3)**	**187,397**	**13,681**	**11,437**	**9,866**	**222,380**
CHANGE IN NET WORKING CAPITAL	**-(1)-(2)+(3)**	**(71,446)**	**(21,225)**	**(1,794)**	**965**	**(93,500)**

(*) In 2009, the put option on the remaining 45 % of Fujian Landi shares was reclassified from "Other current non-operating liabilities" to "Other liabilities" and remeasured at € 19,133,000 (versus € 16,371,000 in 2008).

Balance sheet items		31/12/07	Changes in consolidation scope	Net change in working capital	Translation differences and other movements	31/12/08
		2008				
INVENTORIES		52,472				77,211
Working capital items		52,472	33,325	(979)	(7,606)	77,211
CHANGES IN INVENTORIES IN THE CASH-FLOW STATEMENT	**(1)**	**52,472**	**33,325**	**(979)**	**(7,606)**	**77,211**
OTHER NON-CURRENT ASSETS		2,338				1,030
Working capital items	Other non-current assets	2,338	187	(1,804)	(15)	705
Non-WC items	Other non-operating receivables	-				324
TRADE AND RELATED RECEIVABLES		138,938				177,390
Working capital items	Trade receivables	132,719	55,496	(14,946)	(8,228)	165,041
Working capital items	Other operating receivables	6,219	2,367	4,024	(261)	12,350
Non-WC items	Other non-operating receivables	-				-
OTHER CURRENT ASSETS		6,917				3,577
Working capital items	Other operating receivables	6,748	376	(3,447)	(137)	3,536
Non-WC items	Other non-operating receivables	170				41
CHANGE IN RECEIVABLES IN THE CASH-FLOW STATEMENT	**(2)**	**148,023**	**58,426**	**(16,173)**	**(8,641)**	**181,635**
OTHER NON-CURRENT LIABILITIES		1,697				4,827
Working capital items	Trade payables	1,497	68	4,683	(1,713)	4,535
Non-WC items	Other non-operating Liabilities	200				291
TRADE AND RELATED PAYABLES		110,260				153,960
Working capital items	Trade payables	90,557	28,391	(8,447)	(7,317)	103,184
Working capital items	Other current liabilities	19,550	8,196	4,638	(4,819)	31,878
Non-WC items	Other non-operating liabilities	153				18,898
OTHER LIABILITIES		35,209				47,880
Working capital items	Other liabilities	35,201	7,508	6,669	(1,579)	47,800
Non-WC items	Other non-operating liabilities	8				80
CHANGE IN LIABILITIES IN THE CASH-FLOW STATEMENT	**(3)**	**146,805**	**44,162**	**7,544**	**(15,427)**	**187,397**
CHANGE IN NET WORKING CAPITAL	**-(1)-(2)+(3)**	**(53,690)**	**(47,588)**	**24,696**	**819**	**(71,449)**

20. Current tax receivables and other current assets

(in thousands of euros)	2008	2009	2010
Prepayments	3,536	5,085	7,146
Loans, security deposits and other receivables	41	739	294
TOTAL	**3,576**	**5,825**	**7,440**
CURRENT TAX RECEIVABLES	**8,602**	**9,456**	**10,582**

21. Assets held for sale and liabilities in disposal groups

At December 31, 2010, the Group was not engaged in any disposal process of significant businesses or subsidiaries.

22. Total equity

Number of outstanding shares

	2008	2009	2010
SHARES ISSUED AT JANUARY 1	32,930,070	47,791,674	48,637,135
Shares issued in connection with options exercised and dividend distributions	135,342	845,461	507,349
Shares issued in connection with the acquisition of Sagem payment terminals business	10,663,046		
Shares issued in connection with the conversion of OCEANE bonds	4,063,216		
Shares issued in connection with the capital increase reserved to employees			172,417
Shares issued in connection with the capital increase by incorporation of reserves			2,445,070
Shares canceled in connection with the capital reduction scheme			(250,000)
SHARES ISSUED AT DECEMBER 31	47,791,674	48,637,135	51,511,971
TREASURY SHARES AT DECEMBER 31	**1,624,290**	**1,361,958**	**875,443**

At December 31, 2010, Ingenico's authorized share capital consisted of 51,511,971 shares with a par value of € 1 each.

On March 17, 2010, the Board of Directors decided in principle to issue shares in an amount of 1 % of the share capital reserved to employees of Group companies located in France and Germany, members of Group savings plans. The subscriptions were opened by the managing director in June 2010, and the subscription period closed on June 21, 2010. On July 21, 2010, 172,417 new shares were issued in this connection.

On May 11, 2010, the Board of Directors decided to make a bonus issue to shareholders, one new share for every twenty held, by way of a share capital increase by incorporation of retained earnings. The share allocation was carried out on July 30, 2010, the share price was adjusted accordingly, and 2,445, 070 shares were issued.

Treasury shares

(in euros)	2009	Acquisitions	Disposals	Other (*)	2010
Number of shares	1,361,958	2,112,993	(1,753,481)	(846,027)	875,443
Average purchase price (in euros)	18.47	19.22	19.21	20.63	16.73
TOTAL	**25,156,558**	**40,620,436**	**(33,680,380)**	**(17,451,394)**	**14,645,220**

(*) Related principally to treasury shares allocated in respect of free share awards at the end of the vesting period.

(in euros)	2008	Acquisitions	Disposals	Other (*)	2009
Number of shares	1,624,290	2,135,945	(2,263,181)	(135,096)	1,361,958
Average purchase price (in euros)	16.81	14.33	13.46	16.94	18.47
TOTAL	**27,297,123**	**30,602,664**	**(30,454,859)**	**(2,288,370)**	**25,156,558**

(in euros)	2007	Acquisitions	Disposals	Other (*)	2008
Number of shares	634,332	3,350,504	(1,881,447)	(479,099)	1,624,290
Average purchase price (in euros)	17.06	16.86	17.09	16.40	16.81
TOTAL	**10,823,149**	**56,478,556**	**(32,147,452)**	**(7,857,130)**	**27,297,123**

Shares repurchased to be warded or retired

In 2010, two delegations were used by the Board:

- the first given by the Shareholders' Meeting of May 15, 2009 (implemented by a decision of the Board on the same day);
- the second given by the Shareholders' Meeting of May 11, 2010, replacing that of May 15, 2009 (implemented by a decision of the Board on the same day);

The treasury share portfolio, purchased nominatively, amounted to 1,166,780 shares at December 31, 2009, and was held in order to allocate free shares or to reduce the share capital.

The portfolio amounted to 823,699 shares at December 31, 2010, after the transfer of 636,000 shares to holders of free share awards at the end of the vesting period, the allocation of 39,973 shares on July 30, 2010) (following a capital increase by way of incorporation of share premium), the purchase of 582,000 shares, the cancelation of 250,000 shares by reduction of capital, and 79.054 shares invested in the joint investment plan.

In 2009, no Ingenico shares were purchased to be awarded or retired. Of the existing portfolio of treasury shares, 135,096 shares were used to meet obligations to beneficiaries of free share programs at the expiration of the vesting period.

At December 31, 2009, the treasury share portfolio (excluding shares held under the liquidity contract) totaled 1,166,780 shares at an average purchase price of €18.69, of which 250,000 shares were purchased in 2008 at an ave price of € 17.23 to reduce the share capital. The capital was reduced in January 2010, in accordance with the decision made by the Board of Directors on January 20, 2010.

In 2008, the Board of Directors exercised two authorizations granted by the shareholders to buy shares on the market (excluding those under the liquidity contract):

- The authorization granted at the Shareholders' Meeting of May 10, 2007 (exercised by the Board on September 19, 2007, and January 23, 2008).
- The authorization granted at the Shareholders' Meeting of May 15, 2008, which replaced the authorization granted on May 10, 2007 (exercised by the Board on May 15, 2008).

In 2008, 250,000 shares were bought back at an average price of € 17.23 to reduce the share capital.

In 2008, 986,143 treasury shares were bought back at an average price of € 18.95 to be granted under free share programs.

In 2008, 479,099 treasury shares from the portfolio of Ingenico stock were allocated, representing 462,217 shares to meet obligations to beneficiaries of free share programs at the end of the vesting period and 16,882 shares for the conversion of OCEANE bonds.

Shares repurchased under the liquidity contract entered into in 2004

In 2010, 1,610,047 shares were repurchased at an average price of € 19.67 and 1,753,481 shares were sold at an average price of €19.21.

The treasury share portfolio allocated to the liquidity contract represented 51,744 shares at December 31, 2010.

In 2009, 2,135,945 shares were repurchased at an average price of € 14.33 and 2,263,181 shares were sold at an average price of € 13.46.

At December 31, 2009, the portfolio held under the liquidity contract totaled 195,178 shares.

In 2008, 2,114,361 shares were acquired at an average price of € 15.84 and 1,881,447 shares were sold at an average price of € 17.09.

At December 31, 2008, the portfolio held under the liquidity contract totaled 322,414 shares.

Stock subscription option plans and free share awards

Plans in force at December 31, 2010

The main features of the plans in force at December 31, 200 are as follows:

a) Stock subscription option plans

On May 4, 2000 and October 18, 2004, the shareholders authorized the Board of Directors to grant a certain number of employees share subscription options to during periods of five years and 24 months, respectively.

In 2007, following an adjustment made to reflect the payment of a dividend out of the share premium account, 3,904 additional options were awarded to the grantees who had not yet exercised their option by June 27, 2007 (date of the Board meeting during which the adjustment calculation was approved). In 2010, following the adjustment to take account of the share capital increase by incorporation of retained earnings, 11,457 additional options were granted to those beneficiaries who had not yet exercised their options as of May 20 (date of the Board decision for the share capital increase).

No new stock option plan was set up during 2010. For all plans, the vesting and waiting periods have expired. Following the adjustments and subscriptions in 2010,the number of outstanding options totaled 74,864 at December 31, 2010.

Tranche A

In accordance with the delegation of power granted by the Board of Directors on March 18, 2003, the Chairman of the Board allocated a first tranche of options on April 15, 2003, called Tranche A. The Chairman listed the beneficiaries of Tranche A, the number of options to be allocated to each beneficiary and the subscription price. The subscription price for Tranche A was set at € 5.67, the equivalent of 95 percent of the share's average opening price over the twenty trading days preceding the grant date (April 15, 2003). Following the payment of a dividend with free shares, this price was adjusted to € 5.64 in 2007.

It was again modified in 2010, to € 5.37, after the share capital increase by incorporation of retained earnings

Tranche B

On July 25, 2003, the Board of Directorallocated a second tranche of options, called Tranche B. The Board listed the beneficiaries of Tranche B, the number of options to be allocated to each beneficiary and the subscription price. The subscription price for Tranche B was set at € 8.46, the equivalent of 95 percent of the share's average opening price over the twenty trading days preceding the grant date (July 25, 2003). In 2007, the subscription price was adjusted to € 8.42.

Tranche C

On April 20, 2004, the Board of Directors allocated a third tranche of options, called Tranche C. The Board listed the beneficiaries of Tranche C, the number of options to be allocated to each beneficiary and the subscription price.

The subscription price for Tranche C was set at € 10.93, the equivalent of 95 percent of the share's average opening price over the twenty trading days preceding the grant date (April 20, 2004). In 2007, this price was adjusted to € 10.88. It was again modified in 2010, to € 10.36, after the share capital increase by incorporation of retained earnings.

Tranche D

On June 10, 2004, the Board of Directors allocated a fourth tranche of options, called Tranche D. The Board listed the beneficiaries of Tranche D, the number of options to be allocated to each beneficiary and the subscription price. The subscription price for Tranche D was set at € 11.04, the equivalent of 95 percent of the share's average opening price over the twenty trading days preceding the grant date (June 10, 2004). In 2007, this price was adjusted to € 10.99.

Tranche E

In accordance with the sub-delegation of power granted by the company's Board of Directors on July 8, 2004, the Chief Executive Officer allocated a fifth tranche of options, called Tranche E. The CEO listed the beneficiaries of Tranche E, the number of options to be allocated to each beneficiary and the subscription price. The subscription price for Tranche E was set at € 13.93, the equivalent of 95 percent of the share's average opening price over the twenty trading days preceding the date of the Board of Directors meeting (July 8, 2004).

Tranche F

On December 14, 2004, the Board of Directors allocated a new tranche of options, called Tranche F. The Board listed the beneficiaries of Tranche F, the number of options to be allocated to each beneficiary and the subscription price. The subscription price for Tranche F was set at € 11.68, the equivalent of 95 percent of the share's average opening price over the twenty trading days preceding the grant date. In 2007, this price was adjusted to € 11.62. It was again modified in 2010, to € 11.07, after the share capital increase by incorporation of retained earnings.

Tranche H

On September 20, 2005, the Board of Directors allocated a new tranche of options, called Tranche H. The Board listed the beneficiaries of Tranche H, the number of options to be allocated to each beneficiary and the subscription price. The subscription price for Tranche H was set at € 11.62, the equivalent of the share's average opening price over the twenty trading days preceding the grant date, with no discount. In 2007, the subscription price was adjusted to € 11.56. It was again modified in 2010, to € 11.01, after the share capital increase by incorporation of retained earnings.

All stock option plans described above require a minimum of three years' seniority in the company from the date of grant to the exercise date.

b) Free share awards

The Annual Shareholders' Meeting of April 19, 2005 authorized the Board of Directors to make a free award of existing or new shares to the Group's employees or executive officers, up to a maximum of two percent of the company's share capital (596,052 shares on the date of the meeting). The maximum number of shares was increased to 599,046 at the Annual Shareholders' Meeting of May 5, 2006, i.e. 2 percent of the Company's share capital.

At December 31, 2005, a total of 65,000 shares had been awarded, of which 10,000 to the Chairman and 50,000 to the Chief Executive Officer.

The Annual Shareholders' Meeting of May 5, 2006 authorized the Board of Directors to make a free award of existing or new shares to Group employees, and executive officers, up to a maximum of 3 percent of the Company's share capital (898,569 shares on the date of the Board's decision).

On December 14, 2005, 100,000 free shares awards were made to the Chief Executive Officer, Mr. Amedeo d'Angelo, in quarterly allotments, i.e. one fourth at the end of each quarter in 2006.

On March 15, 2006, the Board of Directors decided to set up a free share award program for key Company executives. On this basis, 635,000 free shares were awarded in several subgroups to 41 beneficiaries. Out of this total, 150,000 share awards were allocated to members of the Executive Board. The shares vest after a two-year period, provided that on that date, the beneficiaries are still employed by the Ingenico Group. The shares must be held by the beneficiaries for an additional two-year period following vesting.

No new free share award program was set up during 2007. Following an adjustment made to reflect the payment of a dividend out of the share premium account, 3,522 additional free shares were awarded to the grantees who had not yet exercised their entitlement by June 27, 2007 (date of the Board Meeting which ratified the calculation).

Board meeting during which the the adjustment calculation was approved).

At the Board meeting of July 17, 2007, 100,000 free shares were awarded to the Chief Executive Officer, Mr. Philippe Lazare, in quarterly allotments, i.e. one-fourth at the end of each quarter. Mr. Jacques Stern was awarded 15,000 free shares from that date of his appointment as Chairman of the Board.

60,290 treasury shares were allocated in June 2007 to meet the Company's obligations under a free share program to beneficiaries Mr. David Znaty and Mr. Amedeo d'Angelo at the expiration of the vesting period.

100,000 shares were created by incorporation of the share premium account to meet the Company's obligations to Mr. Amedeo d'Angelo under a free share program for which the vesting period expired on December 14, 2009.

At its meeting on January 23, 2008, the Board resolved to implement a free share program by virtue of the authorization granted at the Shareholders' Meeting of May 5, 2006, and the forthcoming authorization to be granted at the Shareholders' Meeting on March 14, 2008.

At the Board meeting of March 11, 2009, 75,000 free share awards were given to the Chief Executive Officer, Mr. Philippe Lazare.

At its meeting on June 24, 2009, the Board resolved to award 75,000 free shares to the Chief Executive Officer, Mr. Philippe Lazare, and 10,000 free shares to Mr. Jacques Stern, Chairman of the Board of Directors. An additional 115,000 free shares were awarded to the Group's operational managers.

On March 2010, the Board of directors decided to grant a further 37,555 free share awards.

Following this grant, an additional grant of 38,150 free share awards, the cancelation of 6,219 awards and the vesting of 636,000 free shares during the year, a total of 364,486 free share awards were outstanding at December 31, 2010. At December 31, 2009, a total of 931,000 free share awards had been outstanding.

c) Joint investment plan

The Board Meeting held on March 30, 2010 also decided to set up a joint investment plan, in three annual tranches (2010, 2011, 2012), intended for the 37 key managers in the Group.

This plan takes the form of an agreement with the beneficiaries, under which a variable number of free shares will be granted, subject to a number of conditions; namely, the decision to subscribe, continued presence within the Group, and level of performance (internal and external). The subscription period for tranche 1 ended on April 15, 2010. The Board Meeting held on May 11, 2010 fixed the number of shares subscribed at 79,054, and the maximum number of shares which could be awarded at a subsequent date at 553,378. At December 31, 2010, the maximum was 548,300 awards, following the share capital increase by incorporation of retained earnings (27,650 additional free shares) decided by the board held on May 11, 2010 and the cancelation of 32,728 awards during the year.

Change in option and share award plans in the period

2010	Options/shares outstanding at January 1	Options/shares granted during the year	Options/shares exercice during the year	Options/shares cancelled or expired, other movements	Existing options/shares at December 31 (1)	Weighted average in life (in years)	Weighted average exercise price (in €)
A Tranche	73,249	2,134	59,262	0	16,121	8	€5.37
B Tranche	0	0	0	0	0	8	-
C Tranche	6,180	110	2,512	1,507	2,271	8	€10.36
D Tranche	0	0	0	0	0	8	-
E Tranche	0	0	0	0	0	8	-
F Tranche	46,756	1,575	25,026	0	23,305	8	€11.07
H Tranche	155,806	7,638	130,277	0	33,167	8	€11.01
Free shares	931,000	75,705	636,000	6,219	364,486		
Joint investment plan	0	581,028		32,728	548,300		
TOTAL	**1,212,991**	**668,190**	**853,077**	**40,454**	**987,650**		

(1) including 74.864 exercisable at December 31, 2010

2009	Options/shares outstanding at January 1	Options/shares granted during the year	Options/shares exercice during the year	Options/shares cancelled or expired, other movements	Existing options/shares at December 31 (1)	Weighted average in life (in years)	Weighted average exercise price (in €)
A Tranche	109,842	0	35,085	1,508	73,249	8	€5.64
B Tranche	0	0	0	0	0	8	-
C Tranche	25,958	0	11,051	8,727	6,180	8	€10.88
D Tranche	0	0	0	0	0	8	-
E Tranche	0	0	0	0	0	8	-
F Tranche	93,507	0	36,194	10,557	46,756	8	€11.62
H Tranche	327,695	0	165,857	6,032	155,806	8	€11.56
Free shares	880,096	275,000	135,096	89,000	931,000		
TOTAL	**1,437,098**	**275,000**	**383,283**	**115,824**	**1,212,991**		

(1) including 281.991 exercisable at December 31, 2009

2008	Options/shares outstanding at January 1	Options/shares granted during the year	Options/shares exercice during the year	Options/shares cancelled or expired, other movements	Existing options/shares at December 31 (1)	Weighted average in life (in years)	Weighted average exercise price (in €)
A Tranche	119,634	0	9,792	0	109,842	8	€5.64
B Tranche	0	0	0	0	0	8	€8.42
C Tranche	41,000	0	15,042	0	25,958	8	€10.88
D Tranche	100,456	0	100,456	0	0	8	€10.99
E Tranche	0	0	0	0	0	8	-
F Tranche	93,507	0	0	0	93,507	8	€11.62
H Tranche	345,789	0	10,052	8,042	327,695	8	€11.56
Free shares	637,457	775,000	462,217	70,144	880,096		
TOTAL	**1,337,843**	**775,000**	**597,559**	**78,186**	**1,437,098**		

(1) including 229.307 exercisable at December 31, 2008

Fair value of options granted

Ingenico has measured the fair value of the goods and services received during the year based on the fair value of the equity instruments granted.

For stock options:

The initial value of the share is measured at the grant date.

The assumed volatility is the volatility calculated over a one-year period preceding the grant date, except for Tranches A and B, for which volatility was calculated based on a multi-criteria analysis taking into account the implicit volatility of financial instruments on the calculation date.

The interest rate curve is calculated using Bloomberg monetary rates and swap rates.

For free share awards:

Fair value is equal to the share price at the date of grant.

For the joint investment plan:

Ingenico has measured the fair value on the basis of the probability of achieving the internal and external performance criteria, and of market conditions. The expense under IFRS 2 is measured using the changes in internal performance criteria at each reporting date.

Assumptions made in measuring fair value of options

	A Tranche	B Tranche	C Tranche	D Tranche	E Tranche	F Tranche	H Tranche
Underlying share price on grant date (€)	6.43	8.91	12.53	14.39	15.45	11.1	12.24
Exercise price (€)	5.37	8.42	10.36	10.99	13.93	11.07	11.01
Expected volatility (%)	61.83%	54.69%	41.32%	41.28%	40.28%	38.71%	38.55%
Option life (in years)	8	8	8	8	8	8	8
Expected dividend rate	1%	1%	1%	1%	1%	1%	1%
Risk-free interest rate	4.12%	3.87%	4.05%	4.30%	4.13%	3.46%	3.35%

Impact on the financial statements

On the basis of the parameters used to calculate fair value, expense of € 5,282,000 and € 329,000 was recognized in Profit from ordinary activities and Other operating expenses, respectively in connection with the award of free shares, the joint investment plan, and the employee benefit represented by the 20 % discount granted to those who subscribed to the ISOP plan during 2010.

No expense was recognized in 2010 in connection with the award of stock options, since the vesting periods had expired. In 2009, expense of € 6,663,000 was recognized in Profit from ordinary activities.

In 2008, expense was as follows:

- For stock options, € 411,000 was recognized in Profit from ordinary activities and € 24,000 in other operating expenses.

- For free share awards, € 8,104,000 was recognized in Profit from ordinary activities.

23. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to Ingenico S.A. shareholders by the average number of ordinary shares outstanding during the year, excluding ordinary shares repurchased by the Group and held as treasury shares. The average number of ordinary shares is a weighted annual average calculated by adjusting the shares in issue at the beginning of the period for the number of shares bought back or issued during the period, prorated on the basis of the transaction dates.

	2008	2009	2010
Net profit or loss attributable to Ingenico S.A. shareholders (in thousands of euros)	36,683	26,840	39,575
Weighted average number of ordinary shares	44,010,097	46,670,139	48,905,699
BASIC EARNINGS PER SHARE (in euros)	**0.83**	**0.58**	**0.81**

Diluted earnings per share

To calculate diluted earnings per share, the weighted average number of ordinary shares is adjusted to take into account the impact of the potential conversion of all dilutive instruments.

At December 31, 2010, dilutive instruments comprised stock subscription options and free share awards. There were no anti-dilutive instruments outstanding in 2010, since the early redemption of all oceane bonds was completed in 2008.

(in thousands of euros)	2008	2009	2010
NET PROFIT OR LOSS ATTRIBUTABLE TO INGENICO S.A. SHAREHOLDERS	**36,683**	**26,840**	**39,575**
DILUTED NET PROFIT OR LOSS ATTRIBUTABLE TO INGENICO S.A. SHAREHOLDERS	**36,683**	**26,840**	**39,575**
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	**44,010,097**	**46,670,139**	**48,905,699**
IMPACT OF DILUTIVE INSTRUMENTS			
Exercise of stock options and free share awards	781,281	854,736	765,780
DILUTED WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	**44,791,378**	**47,524,875**	**49,671,479**
DILUTED EARNINGS PER SHARE (in euros)	**0.82**	**0.56**	**0.80**

24. Net debt

Net debt of the Group consists of current and non-current financial borrowings and debt, less other current investments and cash and cash equivalents.

(in thousands of euros)	2008	2009	2010
Cash and cash equivalents	142,770	91,205	158,937
Other current investments	2,847		
Financial borrowings and debt	(68,167)	(235,645)	(268,004)
NET DEBT	**77,450**	**(144,440)**	**(109,067)**

Breakdown of cash and cash equivalents and other investments

(in thousands of euros)	2008	2009	2010
Cash and cash equivalents	44,484	66,570	136,225
UCITS classified as cash equivalents	98,286	24,635	22,712
CASH AND CASH EQUIVALENTS	**142,770**	**91,205**	**158,937**
UCITS and other short-term investments classified as other investments	2,847		
CASH AND CASH EQUIVALENTS AND OTHER INVESTMENTS	**145,617**	**91,205**	**158,937**

The change in short-term investments (UCITS) and other investments classified as cash equivalents or other investments is broken down as follows:

(in thousands of euros)	2008	2009	2010
BALANCE AT JANUARY 1	**66,005**	**101,133**	**24,636**
Increase/Purchases	53,412	2,953	
Decrease/Sales	(14,088)	(79,415)	(2,123)
Translation differences	(39)	33	
Other movements	(4,158)	(68)	200
BALANCE AT DECEMBER 31	**101,133**	**24,636**	**22,713**

UCITS are classified as cash equivalents when they meet the criteria of IAS 7. Otherwise, they are classified as other investments.

Breakdown of financial borrowings and debt

Financial liabilities may be broken down into long-term and short-term liabilities. The latter include the portion of less than one year of long-term debt as well as financial liabilities with a term of less than one year.

(in thousands of euros)	2008	2009	2010
Bank borrowings		206,352	219,704
Treasury notes	59,674		
Finance lease obligations	1,340	9,018	8,924
Other financial liabilities	4		147
NON-CURRENT BORROWINGS AND LONG-TERM DEBT	**61,018**	**215,370**	**228,775**
Bank and similar borrowings	2,002	596	20,832
Finance lease obligations	1,433	4,904	4,558
Bank advances and other financial liabilities	3,714	14,775	13,838
SHORT-TERM BORROWINGS	**7,149**	**20,275**	**39,228**
TOTAL FINANCIAL BORROWINGS AND DEBT	**68,167**	**235,645**	**268,004**

1) Bank borrowings and treasury notes

2010

At December 31, 2010, long- and short-term bank borrowings amounted to € 240.5 million, including € 238.8 million in respect of the syndicated loan obtained in September 2009 to finance the acquisition of the easycash group and the additional loan obtained by the parent company to finance other acquisitions. Outstanding amounts due under these two loans were € 206 million and € 32.9 million, respectively, net of costs incurred of € 5.8 million.

The principal contractual terms of these loans are set out in note 4.1 Liquidity and counterparty risks.

2009

In the first half of 2009, Ingenico repaid the A Tranche of the financing facility that had been set up in 2007, from which € 60 million was drawn down in December 2008.

At December 31, 2009, bank borrowings totaled € 206.4 million net of € 3.6 million of debt issuance costs. This amount corresponds to the loan contracted by the parent company in September 2009 to finance the easycash acquisition.

2008

On May 4, 2005, Ingenico issued 5,194,806 OCEANE bonds maturing on January 1, 2012.

In the period from December 31, 2007 to January 14, 2008, Ingenico bought back 1,000,000 OCEANE bonds and used 144,530 treasury shares to meet applications for the conversion of 143,811 OCEANE bonds.

As of February 21, 2008, at the end of the early redemption program launched on January 21, 2008 for all OCEANE bonds, Ingenico had redeemed 7,974 OCEANE bonds not converted and met applications for the conversion of 4,043,021 OCEANE bonds by issuing 4,063,236 new shares.

At December 31, 2008, Ingenico drew down the entire € 60 million A Tranche of the financing facility that was set up in 2007 to replace the former syndicated loan.

2) Bank advances

At December 31, 2010, bank advances totaled € 13.4 million, mainly for easycash GmbH (€13.3 million).

At December 31, 2009, bank advances totaled € 14.8 million and included bank overdrafts of € 2.7 million for Ingenico do Brasil and € 11.4 million for easycash GmbH.

At December 31, 2008, bank advances totaled € 3.6 million, mainly involving Brazil, the United Kingdom and France.

3) Finance lease obligations

At December 31, 2010, finance lease obligations concern the easycash companies, integrated into the Group in November 2009, for € 12.3 million, Ingenico Italia, for € 0.9 million, and, to a lesser extent, the Spanish and Portuguese companies, for € 0.2 million.

Principal terms of financial borrowings and debt

Interest rates and maturities

				2010			
(in thousands of euros)		Carrying amount	Average annual rate	Less than 1 year	1-2 years	2-5 years	More than 5 years
BANK BORROWINGS	Ingenico SA	238,833	3 months Euribor + 200 pts	19,129	40,249	179,455	
	Ingenico Services Iberia	56	5,25%	56			
	Landi	888	4,02%	888			
	Fixed & Mobile Pte	519	2,50%	519			
	TOTAL	**240,296**		**20,592**	**40,249**	**179,455**	
FINANCE LEASE OBLIGATIONS	Iberia	209	State subsidized loan at 0 %	53		156	
	Ingenico Services Iberia	17	Euribor + 1,15%		8	8	
	Italia SpA	932	Euribor + 0,627%	433	228	271	
	easycash GmbH	12,214	5,46%	3,972	3,792	4,450	
	easycash Loyalties	110	6,83%	100	8	2	
	TOTAL	**13,482**		**4,558**	**4,036**	**4,887**	
BANK ADVANCES	Ingenico SA	36	Eonia +0,35%	36			
	Ingenico Ventures	3	Eonia +0,35%	3			
	Ingenico Data Systems SA	1	Eonia +0,35%	1			
	easycash GmbH	13,340	Eonia + 2,5%	13,340			
	TOTAL	**13,380**		**13,380**			
OTHER FINANCIAL LIABILITIES	Ingenico Prepaid Services France	148			21	127	
	Ingenico Services Iberia	265		265			
	Fixed & Mobile Pte Ltd	167		167			
	TransferTo Inc.	25		25			
	TOTAL	**605**		**457**	**21**	**127**	
ACCRUED INTEREST ON BORROWINGS	Ingenico SA	227	3 months Euribor + 200 pts	227			
	Ingenico Services Iberia	13	5,25%	13			
	TOTAL	**240**		**240**			
TOTAL FINANCIAL BORROWINGS AND DEBT		**268,004**		**39,227**	**44,307**	**184,469**	

(in thousands of euros)		Carrying amount	Average annual rate	2009 Less than 1 year	1-2 years	2-5 years	More than 5 years
BANK BORROWINGS	Ingenico SA	206,352	3 months Euribor + 200 pts	23,579	38,579	144,194	
	Landi	44	5.103% fixed rate	44			
	TOTAL	**206,396**		**23,623**	**38,579**	**144,194**	
FINANCE LEASE OBLIGATIONS	Ingenico SA	1				1	
	Ingenico Iberia	541	7% for the part < 1 an	288	97	147	9
	Italia SpA	1,175	3 months Euribor + 250 pts	504	480	191	
	easycash GmbH	12,204	6,50%	4,112	3,170	4,922	
	TOTAL	**13,921**		**4,904**	**3,747**	**5,261**	**9**
BANK ADVANCES	Ingenico SA	393	Eonia + rate ranging from 0.30% to 0.60%	393			
	Ingenico Do Brasil Ltda	2,714	Brazil Central Bank rate (CDI) +20.64%	2,714			
	Ingenico UK	271		271			
	Ingenico Data Systems SA	1		1			
	easycash GmbH	11,397		11,397			
	TOTAL	**14,776**		**14,776**			
ACCRUED INTEREST ON BORROWINGS	Ingenico SA	552	3 months Euribor + 200 pts	552			
	TOTAL	**552**		**552**			
TOTAL FINANCIAL BORROWINGS AND DEBT		**235,645**		**43,855**	**42,326**	**149,455**	**9**

				2008			
(in thousands of euros)		Carrying amount	Average annual rate	Less than 1 year	1-2 years	2-5 years	More than 5 years
BANK BORROWINGS	Ingenico SA	59,674	1 month Euribor + 60 pts			59,674	
	Ingenico Barcelona SA	148	0% subsidized loan	148			
	Landi	1,703	Fixed rate ranging from 2.88% to 6.03%	1,703			
	TOTAL	61,525		1,851		59,674	
FINANCE LEASE OBLIGATIONS	Ingenico Iberia	1,587	7% fixed rate	1,019		512	56
	Ingenico Hungary	17		7		10	
	Ingenico Pacific	2		2			
	Planet Odeme Sistem	1			1		
	Italia SpA	1,149	3 months Euribor + 250 pts	401	698	50	
	Matsu	4		4			
	TOTAL	2,760		1,433	699	572	56
BANK ADVANCES	Ingenico SA	98	1 month Euribor + 30 pts	98			
	Ingenico Do Brasil Ltda	2,550	Ptax + 0.20% at +1.55% per month	2,550			
	Ingenico UK	902		902			
	TOTAL	3,550		3,550			
OTHER FINANCIAL LIABILITIES	Ingenico SA	154	1 month Euribor + 60 pts	150	4		
	Ingenico Do Brasil Ltda	13			13		
	TOTAL	167		150	17		
ACCRUED INTEREST ON BORROWINGS	Ingenico SA	165	1 month Euribor + 60 pts	165			
	TOTAL	165		165			
TOTAL FINANCIAL BORROWINGS AND DEBT		68,167		7,149	716	60,246	56

Breakdown by currency

The following table shows the breakdown of financial borrowings and debt by currency:

	2008	2009	2010
Euro	62,975	232,616	266,404
British pound	906	271	1,599
Other currencies	4,286	2,758	
TOTAL DEBT	**68,167**	**235,645**	**268,004**

All amounts shown at their euro equivalent.

Change in financial borrowings and debt

Change in financial borrowings and debt is as follows:

(in thousands of euros)	Financial liabilities
BALANCE AT JANUARY 1, 2008	**111,273**
New borrowings	63,153
Repayments	(35,378)
Net change in drawdowns on lines of credit	(12,885)
Translation differences	(912)
Other movements	(57,092)
Changes in consolidation scope	8
BALANCE AT DECEMBER 31, 2008	**68,167**
New borrowings	210,741
Repayments	(190,995)
Net change in drawdowns on lines of credit	(4,375)
Translation differences	1,942
Other movements	(4,439)
Changes in consolidation scope	154,605
BALANCE AT DECEMBER 31, 2009	**235,645**
New borrowings	34,257
Repayments	(5,934)
Net change in drawdowns on lines of credit	(1,610)
Translation differences	278
Other movements	644
Changes in consolidation scope	4,723
BALANCE AT DECEMBER 31, 2010	**268,004**

New borrowings mainly concern an amount of € 32.6 million, net of bank expenses, drawn down from the additional € 100 million tranche, negotiated by the parent company in the context of the loan facility, to finance new acquisitions.

Repayments mainly reflect the repayment by Ingenico Services Iberia of a loan of € 4.1 million.

25. Derivative financial instruments

Fair value of derivative instruments at the reporting date

	Interest rate hedging instruments			Foreign exchange hedging instruments		
(in thousands of euros)		At Dec. 31, 2008	At Dec. 31, 2009	At Dec. 31, 2010		At Dec. 31, 2008
Current assets	9	147	439	153	3,286	3,022
Current liabilities	-	(78)	-	(2,472)	(728)	(2,216)
TOTAL	**9**	**69**	**439**	**(2,319)**	**2,558**	**807**

Breakdown of instruments by hedging policy

(in thousands of euros)	2008	2009	2010
INSTRUMENTS DESIGNATED AS CASH FLOW HEDGES			
Foreign exchange forward contracts	(1,550)	1,010	(57)
Foreign exchange options		627	488
Interest rate swaps	9		
Interest rate options		69	439
INSTRUMENTS NOT DESIGNATED AS CASH FLOW HEDGES			
Foreign exchange forward contracts	(769)		
Foreign exchange options		458	
Interest rate swaps		463	376
TOTAL	**(2,310)**	**2,627**	**1,246**

Changes in the fair value of ineffective hedging instruments or the ineffective portions of hedging instruments are recognized directly in profit or loss under “Net finance costs”. They mainly reflect the effect of interest rate differentials between the currency of the hedged items and the euro.

Interest rate caps are recognized at fair value when the contract is entered into, being the total of their intrinsic value and their time value. The initial intrinsic fair value of interest rate caps is subsequently amortized as the strike premiums fall due, or on a straight-line basis when the premiums are payable immediately. At each reporting date, the difference between the fair value of the intrinsic value and the carrying amount of its initial fair value is recognized in equity, while the remeasurement of the time value to fair value is recognized in profit or loss.

26. Provisions for retirement benefit obligations

The Group has defined benefit plans in the following countries:

- France – Retirement indemnities
- United Kingdom – Pension plan
- Germany – Pension plan
- Italy – Retirement indemnities (‘TFR’)
- Turkey – Retirement indemnities

The defined benefit obligations have been measured by independent actuaries. This note, in particular the information presented in tabular format, has been drawn up on behalf of the Group by external advisors.

There are no long term healthcare commitments within the Group.

Actuarial gains and losses on defined benefit plans are recognized directly in equity, under the in revised IAS 19.

There are two categories of retirement benefit plan:

1) Defined contribution plans

These plans exist in most European countries in which the Group operates (France, Benelux, Germany, Italy and Spain), and in the United States and Asia-Pacific countries. Under these plans, Group entities make payments, expensed as incurred, on a regular basis to organizations authorized to manage the retirement plans.

2) Defined benefit plans

There are two types of defined benefit plans recognized in provisions for retirement benefit obligations:

- Funded defined benefit plans (in the United Kingdom).
- Unfunded defined benefit plans. Under these plans, provisions for termination benefits are recognized as a liability in the balance sheet under “Provisions for retirement benefit obligations”. The main countries involved are France, Italy, Turkey and Germany (easycash)

Significant changes to plans in 2010 were as follows:

- Addition of Ingenico Preraid Services SA on May 5, 2010 (France)
- Merger of Ingenico France SA and Ingenico SA on September 30, 2010 (France)
- Merger of easycash Vertriebsgesellschaft GmbH and easycash GmbH on January 1, 2010 (Germany)

There are no longer any active pension plan participants at Ingenico UK Ltd (United Kingdom).

Movements in the provision for funded and unfunded defined benefit obligations are as follows:

	2010			2009		
(in thousands of euros)	Funded	Unfunded	TOTAL	Funded	Unfunded	TOTAL
AT JANUARY 1	**3,860**	**6,555**	**10,415**	**1,735**	**3,041**	**4,776**
Changes in consolidation scope	-	33	33	-	2,633	2,633
Translation differences	131	2	132	132	-	132
Increases	188	753	940	-	766	766
Reversals	-	(229)	(229)	(914)	(347)	(1,261)
Changes in consolidation scope	-	-	-	-	(57)	(57)
Contributions	(932)	-	(932)	-	-	-
Actuarial (gains)/losses	(2,041)	331	(1,711)	2,907	519	3,426
AT DECEMBER 31	**1,205**	**7,445**	**8,650**	**3,860**	**6,555**	**10,415**

	2008			2007		
(in thousands of euros)	Funded	Unfunded	TOTAL	Funded	Unfunded	TOTAL
AT JANUARY 1	**4,040**	**2,074**	**6,114**	**5,927**	**1,628**	**7,555**
Changes in consolidation scope	-	-	-	-	-	-
Translation differences	(660)	(220)	(880)	(401)	-	(401)
Increases	151	495	646	68	820	888
Reversals	-	(340)	(340)	-	(374)	(374)
Changes in consolidation scope	-	1,031	1,031	-	-	-
Contributions	-	-	-	-	-	-
Actuarial (gains)/losses	(1,795)	-	(1,795)	(1,553)	-	(1,553)
AT DECEMBER 31	**1,735**	**3,041**	**4,776**	**4,040**	**2,074**	**6,114**

Movements in the present value of funded and unfunded defined benefit obligations

(in thousands of euros)	2010		
	TOTAL	Funded plans	Unfunded plans
AT JANUARY 1	**21,441**	**14,887**	**6,555**
Current service costs	349	-	349
Interest on obligation	1,144	870	274
Participants' contributions	-	-	-
Actuarial (gains)/losses recognized in other comprehensive income	(1,046)	(1,377)	332
Translation differences	477	474	2
Benefits paid from unfunded plans	(229)	-	(229)
Benefits paid from funded plans	(553)	(553)	-
Past service costs arising in 2010	-	-	-
Changes in consolidation scope	33	-	33
Curtailments	-	-	-
Terminations	-	-	-
Other	130	-	130
AT DECEMBER 31	**21,747**	**14,301**	**7,446**

'Other' movements concern the impact of the harmonization of measurement methodology in Italy and Turkey.

Historical information on the present value of defined benefit obligations is as follows:

(in thousands of euros)	2010	2009	2008	2007
AT JANUARY 1	**14,887**	**9,643**	**16,150**	**17,812**
Current service costs	-	185	601	865
Interest on obligation	870	686	874	914
Participants' contributions	-	155	235	298
Actuarial (gains)/losses recognized in other comprehensive income	(1,377)	3,688	(4,879)	(1,944)
Translation differences	474	714	(3,169)	(1,491)
Benefits paid from unfunded plans	-	-	-	-
Benefits paid from funded plans	(553)	(184)	(169)	(304)
Past service costs arising in 2010	-	-	-	-
Changes in consolidation scope	-	-	-	-
Curtailments	-	-	-	-
Terminations	-	-	-	-
Other	-	-	-	-
AT DECEMBER 31	**14,301**	**14,887**	**9,643**	**16,150**

Analysis of the present value of defined benefit obligations: funded/unfunded

Only the U.K. pension plan is funded.

(in thousands of euros)	2010	2009
Unfunded plans	7,446	6,555
Funded plans	14,301	14,887
TOTAL	**21,747**	**21,442**

Movements in the fair value of plan assets

(in thousands of euros)	2010	2009	2008	2007
AT JANUARY 1	**11,026**	**7,907**	**12,109**	**11,885**
Expected return on plan assets	683	492	655	859
Actuarial (gains)/losses recognized in other comprehensive income	664	781	(3,083)	(391)
Translation differences	344	582	(2,509)	(1,091)
Employer contributions	932	1,294	669	853
Participants' contributions	-	155	235	298
Benefits paid from funded plans	(553)	(184)	(169)	(304)
Other	-	-	-	-
AT DECEMBER 31	**13,096**	**11,026**	**7,907**	**12,109**

Analysis of recognized assets and liabilities

(in thousands of euros)	12.31.10	12.31.09	12.31.08	12.31.07
ASSETS AND LIABILITIES RECOGNIZED				
Present value of obligations	21,747	21,441	12,683	18,223
Fair value of plan assets	13,096	11,026	7,907	12,109
SURPLUS/(DEFICIT)	(8,651)	(10,415)	(4,776)	(6,114)
Unrecognized past service cost	-	-	-	-
Assets not recognized (limitation effect)	-	-	-	-
NET LIABILITY	**(8,651)**	**(10,415)**	**(4,776)**	**(6,114)**

Expense recognized in profit or loss

(in thousands of euros)	2010	(Forecast) 2011
Current service costs	349	512
Interest on obligation	1,144	1,164
Expected return on plan assets	(683)	(677)
Expected gain from reimbursement rights	-	-
Past service costs	-	-
Curtailments and terminations	-	-
Other	130	-
Translation differences	-	-
AT DECEMBER 31	**940**	**999**

'Other' movements concern the impact of the harmonization of measurement methodology in Italy and Turkey.

Impact on statement of comprehensive income

Historical information on amounts recognized directly in the statement of comprehensive income is as follows:

(in thousands of euros)	2010	2009	2008	2007	2006
AT JANUARY 1	**975**	**(2,460)**	**(850)**	**347**	**1,266**
Actuarial (gains)/losses recognized in other comprehensive income	(1,710)	3,436	(1,610)	(1,197)	(919)
Translation differences	132	-	-	-	-
AT DECEMBER 31	**(602)**	**975**	**(2,460)**	**(850)**	**347**

Actuarial gain/loss recognized in 2010 arose as follows:

	In thousands of euros	% change
OBLIGATIONS		
Experience	143	0.70%
Changes in assumptions	(1,188)	(5.50%)
PLAN ASSETS		
Experience	(664)	(5.10%)
	(1,710)	

Analysis of plan assets

Plan investments	In thousands of euros	% change
Equities	5,238	40.00%
Bonds	6,025	46.00%
Real estate	-	N/A
Other	1,833	14.00%
TOTAL	**13,096**	**100.00%**

Plan assets do not include any land or buildings occupied by Group entities, or any other assets used by the Group. There are no separately identifiable assets.

Fair values of plan assets relate only to the U.K. plan.

In 2009, the expected return on plan assets was intended to be that of government bonds. The rate was adjusted to take account of plan expenses. Following the practice as applied in 2009, the 2010 expected rate would have been 4.10%.

However, in 2010, the employer paid these expenses directly.

The actuary has refined his approach for the determination of the expected return on plan assets from the end 2010. As stated in 'Investment Principles: A Declaration', the investment strategy over the long term is to hold 60 % of plan assets in equities or other assets subject to change in value, and the balance of 40 % in risk-free investments. The expected rate of return on the latter category is 4.1 % (equivalent to that of government bonds), whereas that of the former is expected to be 2.5% higher i.e. 6.5%. This would result in a weighted average revised rate of 5.6 % per annum, based on the long term investment strategy objective. This rate has been reduced to 5.1 % to reflect the actual investment categories held at December 31, 2010 (40 % in risk investments, 60 % risk-free).

Actuarial assumptions

	France	Germany	Italy	Turkey	United Kingdom	Average rate, weighted by the DBO amount
Discount rate	4.50%	4.61%	4.50%	9.00%	5.80%	5.39%
Expected rate of return on plan assets	N/A	N/A	N/A	N/A	5.10%	5.10%
Expected future salary increases	2.50%	1.50%	4.00%	2.00%	N/A	2.34%
Medical cost trend rate	N/A	N/A	N/A	N/A	N/A	N/A

Sensitivity to changes in medical care trend rates

No plan benefits.

Best estimate of plan contributions payable in 2011

Expected contributions in 2011:

	In thousands of euros
Employer contributions	929
Plan participants' contributions	-

Sensitivity of assets and liabilities to changes in the discount rates at December 31, 2010

A 1 percentage point change in the discount rate for all plans would have resulted in the following net liabilities at December 31, 2010:

Assets and liabilities (in thousands of euros)	Discount rate +1%			Discount rate -1%		
	TOTAL	Funded plan	Unfunded plan	TOTAL	Funded plan	Unfunded plan
Present value of obligations	16,279	9,741	6,538	27,372	18,860	8,511
Fair value of plan assets	13,096	13,096	-	13,096	13,096	-
SURPLUS/(DEFICIT)	(3,183)	3,355	(6,538)	(14,276)	(5,764)	(8,511)
Unrecognized past service cost	-	-	-	-	-	-
Assets not recognized (limitation effect)	-	-	-	-	-	-
NET LIABILITY	**(3,183)**	**3,355**	**(6,538)**	**(14,276)**	**(5,764)**	**(8,511)**

According to the U.K. actuary, IFRIC 14 has no impact on the consolidated financial statements at December 31, 2010.

The above hypothetical changes to the discount rates would result in the following movements recognized directly in equity:

(in thousands of euros)	Discount rate +1% 2010	Discount rate -1% 2010
AT JANUARY 1	**975**	**975**
Actuarial (gains)/losses recognized in other comprehensive income, net of any limitation	(7,178)	3,915
Translation differences	132	132
AT DECEMBER 31	**(6,070)**	**5,023**

27. Other provisions

(in thousands of euros)	Balance at January 1, 2010	Translation differences	Changes in consolidation scope	Additions	Reversal of amounts used	Reversal of unused amounts	Others movements	Balance at December 31, 2010
Provisions for warranties	11,226	961	-	4,618	(3,609)	-	-	13,195
Provisions for litigation and claims	5,720	145	187	3,521	(1,100)	(2,729)	140	5,885
Provisions for restructuring	1,596	4	-	1,196	(1,562)	(90)	(18)	1,125
Other provisions	6,537	141	-	12,496	(3,708)	(399)	(1,134)	13,933
TOTAL OTHERS PROVISIONS	**25,079**	**1,251**	**187**	**21,830**	**(9,979)**	**(3,218)**	**(1,012)**	**34,138**

(in thousands of euros)	Balance at January 1, 2009	Translation differences	Changes in consolidation scope	Additions	Reversal of amounts used	Reversal of unused amounts	Others movements	Balance at December 31, 2009
Provisions for warranties	9,305	815	(345)	6,640	(5,264)	-	75	11,226
Provisions for litigation and claims	7,669	210	113	2,805	(1,506)	(3,717)	144	5,720
Provisions for restructuring	1,120	31	(771)	1,771	(151)	(629)	225	1,596
Other provisions	2,861	(11)	997	3,924	(1,271)	(105)	143	6,537
TOTAL OTHERS PROVISIONS	**20,955**	**1,046**	**(6)**	**15,140**	**(8,192)**	**(4,451)**	**587**	**25,079**

(in thousands of euros)	Balance at January 1, 2008	Translation differences	Changes in consolidation scope	Additions	Reversal of amounts used	Reversal of unused amounts	Others movements	Balance at December 31, 2008
Provisions for warranties	7,092	(1,219)	1,536	7,777	(5,562)	-	(319)	9,305
Provisions for litigation and claims	5,303	(395)	4,131	1,737	(1,917)	(1,190)	-	7,669
Provisions for restructuring	1,307	(76)	-	419	(505)	(25)	-	1,120
Other provisions	3,274	(18)	951	4,320	(5,333)	(332)	(1)	2,861
TOTAL OTHERS PROVISIONS	**16,976**	**(1,708)**	**6,618**	**14,253**	**(13,317)**	**(1,547)**	**(320)**	**20,955**

(I) Warranties

The provision for warranties reflects the estimated foreseeable costs related to the one-year product warranty given at the time of sale.

(II) Litigation and claims

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

Ingenico recognizes provisions for litigation and claims when the Group has a present legal or constructive obligation related to lawsuits, government inquiries, legal disputes and other claims as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and that the amount of the outflow can be reliably estimated.

Tax assessment procedures are in progress in respect of a Brazilian subsidiary. One matter concerns the service tax (ISS). The more important issue relates to the ICMS tax, where the amount in question is approximately € 79.3 million as of December 31, 2010 (covering 2004 – 2009, for principal, interest and penalties). The assessment is being made in the context of the ’Tax War’ which is being waged among the Brazilian states, with a potential impact on Ingenico and a large number of foreign and domestic enterprises. The tax authority of the State of Sao Paulo is contesting the deduction by Ingenico Do Brasil of a portion of the ICMS on the sales invoices of a supplier, on the grounds that the supplier had obtained a tax concession granted by the State of Minas Gerais in which he operates, but which does not comply with federal law. The company, advised by experts, considers that there are strong grounds for contesting those of the authorities. No provision has been recognized in the consolidated financial statements at December 31, 2010, except for legal costs, following an analysis of the risks involved in the light of the criteria set out in IFRS 37. As of December 31, 2010, the company had been notified of a number of assessments concerning both the ISS, for 2003 – 2007, and the ICMS, for 2004 - 2009. All the assessments are being contested by the company. Some have been canceled by administrative decisions. In respect of the assessments still in progress, no payment demand had been received at December 31, 2010.

(III) **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).

28. Other non-current liabilities

At December 31, 2008, 2009 and 2010, other non-current liabilities included:

(in thousands of euros)	2008	2009	2010
Trade payables	-	232	322
Current tax liabilities (over one year)	292	3,814	5,033
Tax, personnel and social security liabilities	-	-	1,263
Deferred income	4,535	6,334	8,769
Other liabilities	-	5	143
TOTAL	**4,827**	**10,385**	**15,531**

All non-current liabilities are due to be settled in over one year.

29. Trade payables and related accounts

(in thousands of euros)	2008	2009	2010
Trade payables	96,950	126,183	194,167
Other operating liabilities	57,011	61,979	73,563
Customer advances	6,453	7,026	13,667
Other tax liabilities	10,443	24,132	17,963
Employee-related liabilities	21,435	29,430	42,062
Other	18,680	1,392	(129)
TOTAL	**153,960**	**188,162**	**267,730**

30. Current tax payable

At December 31, 2010, current tax payable under one year was composed chiefly of income tax payable on taxable profit at Group subsidiaries.

(in thousands of euros)	2008	2009	2010
Germany	416	870	519
Argentina	-	-	55
Australia	-	-	1,250
Canada	2,419	836	1,381
Chile	-	-	86
China	639	718	1,580
Danmark	16	-	-
Spain	-	70	428
Finland	231	-	-
France	162	13,108	41
Hungary	-	-	3
India	-	37	-
Ireland	3	-	16
Italy	506	458	-
Poland	7	-	-
Czech Republic	-	226	207
United Kingdom	439	441	274
Russia	-	5	19
Thailand	-	-	17
Turkey	345	168	365
USA	-	187	2,365
Venezuela	-	-	28
TOTAL	**5,184**	**17,124**	**8,633**

31. Other liabilities

(in thousands of euros)	2008	2009	2010
Accrued interest on borrowings	81	-	-
Other liabilities	24,326	21,388	40,084
Deferred income	23,473	26,371	33,729
TOTAL	**47,880**	**47,758**	**73,813**

Other liabilities include those arising from put options written at the time of the acquisitions of Fujian Landi and Fixed & Mobile Pte, amounting to € 35.2 million and € 2.5 million, respectively, at December 31, 2010. The options (over 32 % of Fujian Landi shares and 10 % of those of Fixed & Mobile Pte) are measured on the basis of discounted future cash flows, which are the best estimate of the put exercise price. The cash flows used are those of each company's business plan.

32. Commitments

(in thousands of euros)	At 12/31/2008	At 12/31/2009	At 12/31/2010
COMMITMENTS RECEIVED			
Bank guarantees	-	-	3,259
Net asset warranty as part of Planet acquisition, expiring on July 12, 2009 (amount deposited in an escrow account for one year, half of which was released after six months, and the balance on July 13, 2008).	26,000	-	-
Net asset warranty as part of Sagem Monetel merger, expiring on March 14, 2010 (no escrow account).	50,000	50,000	-
Net asset warranty as part of acquisition of 55% stake in Fujian Landi: expiring on May 23, 2011 USD 17,050,000.	12,251	11,835	12,760
Net asset warranty as part of acquisition of Payment Terminals business from Sagem Comunicaciones Iberica: expiring January 01, 2010.	500	500	-
Net asset warranty as part of acquisition of easycash, expiring on February 28, 2011.	-	8,150	8,150
Net asset warranty as part of acquisition of 38,27% stake in TransferTo (Fixed & Mobile Pte), expiring on July 30, 2010 (USD 3,000,000).	-	2,082	-
Net asset warranty as part of acquisition of 43,92% stake in Roam Data Inc.: no expiry (USD 500,000).	-	347	374
Net asset warranty as part of acquisition of Payzone, expiring on November 05, 2011.	-	-	1,050
Net asset warranty as part of acquisition of 49% stake in Korvac Holding Pte Ltd (SGD 30,000,000): • Tax warranty valid until expiry of time limit for tax claims • Other warranties expiring on May 01, 2012 including SGD 900,000 deposited in an escrow account to covera specific legal dispute	-	-	17,507
Net asset warranty as part of acquisition of First Data Iberica SA: expiring on September 08, 2012 (€ 15,000,000) including: • € 1,500,000 deposited in an escrow account to cover all warranties • € 500,000 deposited in an escrow account to cover a specific legal dispute	-	-	15,000
Net asset warranty as part of acquisition of Ingeserve Co. Ltd, expiring on May 21, 2015.	-	-	unlimited
OTHER COMMITMENTS RECEIVED			
Call option in favor of Ingenico SA over the remaining "Fixed & Mobile" shares held by minority shareholders. The option may be exercised in 2012 or 2013. The exercise price will be determined by reference to the financial performance of the company. The transaction price may be paid in cash or shares of Ingenico. The portion in cash may not be less than 5 MUSD or 30 % of the consideration.			
Call option in favor of Ingenico SA over the remaining "Roam Data" shares held by minority shareholders. The option may be exercised in 2014 . The exercise pr price will be determined by reference to the financial performance of the company. The transaction price may be paid in cash or shares of Ingenico. The exercise price cannot be less than 0.1 MUSD.			
Put option on outstanding Moneyline Banking System (MBS) shares: option exercisable in 2013. Purchase price to depend on MBS EBIT in 2012.			
COMMITMENTS GIVEN			
Bank and lease guarantees.	4,126	11,011	25,569
Service agreement with a shareholder of the former Moneyline Group.	309	-	-
Shares of U.S. subsidiary of Ingenico Corp. pledged as security for the 2005 refinancing loan.	56,250	-	-
Net asset warranty as part of Sagem Denmark disposal in 2009:			
• Standard seller's warranty expiring on June 30, 2010	-	10,127	-
• Corporate and litigation warranties expiring on June 30, 2011	-	10,127	10,127
• Tax warranty valid until expiry of time limit for tax claims	-	20,254	20,254
These three warranties are not cumulative			
Net asset warranty as part of disposal of 68% of MoneyLine Banking Systems shares in 2009: warranty covering 4 legal disputes, unlimited amount until expiry of time limit for claims (maximum estimated risk).			
This amount is provided (not in full) in the consolidated financial statements.	-	3,050	3,050
OTHER COMMITMENTS GIVEN			
Shares of DI Deutsche Ingenico Holding GmbH pledged as security for the first tranche of € 210 million.The additional BNP loan of € 34 million is secured by a second ranking charge.			
Commercial concession to a US customer under a partnership agreement.		for the record	for the record

At December 31, 2010, the Company had the following commitments in connection with its business activities:

- There are put and call options over the shares of subsidiaries that could lead to the acquisition of minority shareholdings in:
  - Fixed and Mobile in Singapore: a put option is recognized in the consolidated financial statements at December 31, 2010,
  - the Chinese subsidiary Landi: the option was initially recognized in the consolidated financial statements at December 31, 2008, and remeasured at December 31, 2009 and 2010.
- The Group made a three-year commitment starting July 15, 2008, to compensate employees of the company Ingenico Barcelona under the same terms as those applied for the staff adjustment plan implemented; the commitment remains in the event of the sale of the company.
- The Group placed firm orders with manufacturers totaling approximately € 233.6 million at December 31, 2010.
- Future payments under non-cancelable operating leases.

The following table shows future minimum lease payments due at year-end under non-cancelable operating leases. The 2008 and 2009 amounts have been restated to reflect the new Group organization, set out in note 7, Segment Reporting:

(in thousands of euros)	2008	2009	2010
Commitments given on non-cancelable leases	34,444	38,134	39,611
TOTAL	**34,444**	**38,134**	**39,611**

At December 31, 2010, the breakdown by maturity and segment of commitments given by the Group under non-cancelable operating leases follows:

	2010					
(in thousands of euros)	SEPA	Asia - Pacific	North America	Latin America	Central Europe, Africa, Middle East	TOTAL
Y+1	9,964	998	588	544	-	12,094
Y+2	8,237	752	601	500	-	10,090
Y+3	6,931	577	577	236	-	8,321
Y+4	5,803	529	359	160	-	6,851
Y+5 and following	1,436	534	124	160	-	2,254
TOTAL	**32,372**	**3,390**	**2,249**	**1,600**	**-**	**39,611**

At December 31, 2009, the breakdown by maturity and segment of commitments given by the Group under non-cancelable operating leases was as follows:

	2009					
(in thousands of euros)	SEPA	Asia - Pacific	North America	Latin America	Central Europe, Africa, Middle East	TOTAL
Y+1	8,229	1,034	519	652	75	10,508
Y+2	7,452	343	532	400	6	8,734
Y+3	6,715	91	543	258	-	7,607
Y+4	5,668	-	523	62	-	6,252
Y+5 and following	4,712	-	321	-	-	5,033
TOTAL	**32,776**	**1,468**	**2,438**	**1,372**	**81**	**38,134**

At December 31, 2008, the breakdown by maturity and segment of commitments given by the Group under non-cancelable operating leases was as follows:

	2008					
(in thousands of euros)	SEPA	Asia - Pacific	North America	Latin America	Central Europe, Africa, Middle East	TOTAL
Y+1	6,762	746	1,065	686	100	9,358
Y+2	6,311	531	766	496	80	8,184
Y+3	6,050	127	456	258	7	6,898
Y+4	4,777	67	470	207	-	5,521
Y+5 and following	4,126	-	305	52	-	4,483
TOTAL	**28,026**	**1,470**	**3,060**	**1,699**	**187**	**34,444**

Ingenico is entitled to receive future minimum rental income in respect of non-cancelable operating leases in the context of its activity amounting to € 2.5 million.

33. Related party transactions

During 2010

Purchases of terminals by Group companies from Korvac, an equity-accounted entity, amounted to € 1.5 million.

On the other hand, no transactions have been made between Roam Data and the other Group companies.

Transactions between the Group and the Safran Group, a member of the Board of Directors, concern only contracts of small amounts in relation to the size of the Group:

- A production contract between Morpho (formerly Sagem sécurité) and Ingenico for payment terminals (type EFT, principally ending at the end of June 2011), representing 1 % of 2010 revenue,
- A Telium license contract giving Morpho the right to develop non-payment terminals from Ingenico's Telium platform, representing 0.01 % of 2010 revenue.
- A purchasing contract of Ingenico for a biometric model representing 0.07 % of 2010 revenue, and which terminated on November 30, 2010

Mr. Jacques Stern, a director holds indirectly, with his wife 20.9% of the capital of Cryptolog International, a supplier of Ingenico. Thibault Poutrel has an indirect holding of 1.59% in the same company. The company's sales to Ingenico in 2010 were not significant (under 50 K€).

Total compensation and benefits paid to the Chairman of the Board of Directors and current members of the Executive Committee as of December 31, 2010, breaks down as follows:

(in thousands of euros)	2008	2009	2010
Fixed compensation	2,193	3,731	4,862
Variable compensation	1,644	2,472	2,453
Other benefits	32	697	636
Stock options and free share awards (service cost recognized)	4,451	4,615	3,616
TOTAL	**8,319**	**11,516**	**11,566**

The global amount of fixed and variable compensation paid to these Group executives was stable between 2009 and 2010. The compensation of those persons who were no longer members of the Executive Committee on December 31, 2010, but who had been members during 2010, was calculated on a pro rata basis over their period of membership.

The increase in compensation and benefits paid to the Chairman of the Board of Directors and members of the Executive Committee in 2009 is attributable to the enlargement of the Executive Committee. At December 31, 2009, the Executive Committee had 21 members, versus 10 at December 31, 2008.

34. Events after the reporting date

No significant events occurred after the reporting date of December 31, 2010.

No decision has been taken which could have a significant impact on Group financial performance in 2010 or on its financial position at December 31, 2010.

35. Pro forma financial information

In view of the size of acquisitions in 2010, no pro forma financial information has been required to be prepared.

Following the adjustments to the measurement of identifiable assets and liabilities acquired in respect of easycash (see note 12, Goodwill and other intangible assets), the 2009 proforma consolidated income statement has been modified.

(in thousands of euros)	Revised 2009	2010
REVENUE	780,144	907,020
Cost of sales	(474,357)	(540,885)
GROSS PROFIT	**305,787**	**366,135**
Distribution and marketing costs	(70,563)	(85,236)
R&D expenses	(78,554)	(84,247)
Administrative expenses	(94,271)	(99,761)
PROFIT FROM ORDINARY ACTIVITIES	**62,400**	**96,891**
Other operating income and expenses	(13,387)	(23,121)
PROFIT FROM OPERATIONS	**49,013**	**73,770**
Net interest expense	(9,705)	(9,794)
NET FINANCE COSTS	**(9,705)**	**(9,794)**
Share of profit of equity-accounted investees	(283)	(1,671)
PROFIT BEFORE INCOME TAX	**39,025**	**62,305**
Income tax	(15,728)	(22,716)
PROFIT FOR THE PERIOD	**23,297**	**39,589**

Principal changes to the 2009 pro-forma as previously reported

The 2009 pro-forma as previously reported was based on information available at the time of its preparation, and has been modified following the review of the assumptions initially used:

- The finance lease contract resiliation rate is now that of 2010, resulting in an increase in cost of sales of € 3.5 million;

- A revised maintenance rate resulting in a reduction of revenue of € 0.5 million;

- The elimination of that part of finance leases recognized in the acquisition statement of financial position as of December 31, 2008, which related to revenue prior to January 1, 2009, has no impact on the 2009 pro-forma financial information.

Certain departmental expenses (Call and Data center) have been reallocated to cost of sales to conform to the Group management reporting structure

Assumptions, methods and principal restatements involved in preparing the 2009 proforma consolidated income statement

The pro-forma consolidated income statement for the year ended December 31, 2009, was prepared on the basis of Ingenico's consolidated financial statements, to which the following restatements were made:

- Profit from easycash for the period between January 1 and the acquisition date (November 30, 2009) was included in accordance with IFRS as adopted by the European Union and on the basis of the data available at the time this information was prepared. The accounting principles and methods used were the same as those applied in preparing the Group's consolidated financial statements in accordance with IFRS for the year ended December 31, 2009;

- Additional amortization expense was calculated for intangible assets identified and measured at fair value upon purchase price allocation. If the acquisition had occurred on January 1, 2009, it would have increased the Group's total amortization expense in 2009 by €8,315,000;

- The theoretical interest expense that would have been incurred to finance the acquisition if the financing had been arranged on January 1, 2009 was also calculated. If the acquisition had occurred on January 1, 2009, it would have cost Ingenico €8,394,000 in interest expense. This restatement also eliminates the interest expense directly related to the replaced financing arrangements and thus reduces the amount of interest expense recognized in 2009 by €9,519,000 (including €4,682,000 charged to profit from operations);

- Intragroup transactions between easycash and the Ingenico Group during the restated period were eliminated;

- The tax impact of these pro forma restatements was accounted for based on tax rates in force in each country.

The pro forma adjustments do not include the effect of potential synergies or the possible cost of restructuring the acquired business.

The pro forma consolidated income statement for the year ended December 31, 2009 only restates the amounts related to the easycash acquisition. No adjustments have been made to restate the disposal of Sagem Denmark and its subsidiary Manison Finland, which occurred on June 11, 2009.

Acquisitions were recognized in accordance with IFRS under the acquisition method (IFRS 3).

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures. This report also includes information relating to the specific verification of information given in the Group's management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by the shareholders in general meeting, we hereby report to you, for the year ended 31 December 2010, on:

- the audit of the accompanying consolidated financial statements of Ingenico S.A;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

1. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2010 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the matters set out in the notes to the consolidated financial statements regarding:

- the position in respect of the outstanding tax assessments concerning Ingenico S.A. Brazilian subsidiary as at 31 December 2010 (note 27).
- the impact of the adoption of IFRS 3R with effect from January 1, 2010, in particular concerning the acquisition of the additional shareholding in Fixed & Mobile Pte Ltd. (note 12).

2. Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- At each reporting date, the company tests goodwill and intangible assets that have indefinite useful lives for impairment as described in the section « Impairment of assets » included in note 2 « Accounting principles and methods » to the consolidated financial statements. We have reviewed the impairment testing methodology and the assumptions used, and we have verified that the disclosures in note 12 « Goodwill and other intangible assets » are appropriate.

- Provisions in respect of risks from litigations and claims are set up as described in the section « Provisions » included in note 2 « Accounting principles and methods » to the consolidated financial statements. On the basis of information currently available, we have reviewed how the provisions have been estimated, and we have verified that the disclosures in note 27 « Other provisions » are appropriate.

- The impact under IFRS 3R of the acquisition of control of Fixed & Mobile Pte Ltd on the consolidated financial statements for the year ended 31 December 2010 is described in note 12 to the consolidated financial statements. We have reviewed how this transaction has been recognized, and we have verified that the disclosures in the note are appropriate.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3. Specific verification

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented relative to the group in the parent company's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

The statutory auditors
Paris and Paris La Défense, February 28, 2011

KPMG Audit IS	C.G.E.C. S.A.
Jean-Pierre VALENSI	Sophie BRULEBOIS
Partner	Partner

Legal and Financial Information

CORPORATE GOVERNANCE

At its meeting of December 17, 2008, the Ingenico Board of Directors examined the AFEP-MEDEF recommendations of October 6, 2008 on the compensation of directors' and executives' of publicly listed corporations.

The Board considers these recommendations consistent with the Company's own approach to corporate governance and abides by them.

As a result, in accordance with the Act of July 3, 2008, which transposes the EU Directive 2006/46/CE of June14, 2006, the Company now abides by the corporate governance code as set forth by the AFEP and the MEDEF in December 2008.

Ingenico explained this policy in a press release issued on December 19, 2008.

The Board of Directors fulfills its duties with the aid of special-focus committees. The Board appoints the committee chairpersons and members.

Information on the Directors and the Censeur (Independent Advisor) of the Board of Directors

Composition of the Board of Directors

At December 31, 2010, the Board was composed of the following members

Nom	Age	Position	First appointed Term renewed	Term expires at close of meeting called to approve the financial statements for FY
PHILIPPE LAZARE	54	Chairman and CEO and Director*	March 15, 2006/May 11, 2010	2015
ALLAN GREEN	49	Director	October 18, 2004/May 11, 2010	2015
JEAN-PAUL JAINSKY	60	Director	March14, 2008	2013
MICHEL MALHOUITRE	62	Director	Feb. 15, 1980 /May 10, 2007	2012
ALAIN MARCHETEAU	66	Director	March 14, 2008	2013
XAVIER MORENO	62	Director	March 14, 2008	2013
EMMANUEL MOUNIER	37	Director	March 11, 2009	2013
JEAN-JACQUES POUTREL	76	Director	April 19 2005	2010
THIBAULT POUTREL	33	Director	Feb. 6, 2002 /May 5, 2006	2011
THIERRY SEIZILLES DE MAZANCOURT	52	Director	March 14, 2008	2013
JACQUES STERN	61	Director	April 19, 2005	2010
ELIE VANNIER	61	Director	March 14, 2008	2013
CONSELLIOR SAS	-	Director	October 31, 2006	2010

* Philippe Lazare's duties as Chief Executive Officer will cease when his director's term expires.

William Nahum is the Board's Censeur (independent advisor).

On January 20, 2010, the Board of Directors resolved to combine the positions of chairman and chief executive officer, which had been separate since 2004. Since that decision was made, Philippe Lazare has been the Chairman and Chief Executive Officer of Ingenico. The Board deemed that this change would help the Company simplify its decision-making process and raise operational efficiency.

Following the consolidation of his functions, Jacques Stern has stayed on as a Director.

Positions and duties of the Board members

The business address of the Board members is the address of the Company.

Philippe LAZARE

- Chairman and Chief Executive Officer since January 20, 2010
- 229,475 Ingenico shares held

Experience and expertise

Philippe LAZARE was educated at the Ecole Supérieure d'Architecture de Paris-La Défense. He held several positions in the Purchasing Department of the PSA Group prior to joining the Thalès Group as director of a Sextant Avionique site. In 1994, he was appointed Chief Operating Officer of the Air France Group, in charge of the industrial logistics division, which encompassed Air France Maintenance, Air France Industries and Groupe Servair. He then managed the Lucien Barrière hotel and casino group (1998-2000) and worked for the Eurotunnel Group as Chairman and CEO until 2002. Within the La Poste Group, Mr. Lazare was Director of Purchasing, Property and Cost Control (2003-2004), member of the Executive Committee of La Poste, and Chairman and CEO of Poste Immo. In 2006, he was appointed Executive Vice President of the La Poste Group and Chief Executive Officer of La Poste's general public (Grand Public) division, positions he held until July 13, 2007. On July 17, 2007, he became the Chief Executive Officer of Ingenico, on whose Board of Directors he had already sat since March 15, 2006. On January 20, 2010, he was also appointed Chairman of Ingenico, thus becoming the new Chairman and Chief Executive Officer. Mr. Lazare was made Knight of the Legion of Honor in 2007.

Positions and duties in Ingenico in 2010:

- Board member
- Chief Executive Officer and Chairman and Chief Executive Officer since January 20, 2010

Main positions and duties outside Ingenico in 2010:

None

Other current positions and duties:

The companies listed below, in which Philippe Lazare currently holds positions, are all part of the Ingenico Group.

Chairman:
Ingenico Transactions Services SAS (France) since September 24, 2008
Ingenico Prepaid Services France SAS (France) since May 5, 2010

Board member and CEO:
Ingenico Corp. since July 17, 2007
Ingenico (Latin America) Inc. since July 17, 2007
Ingenico Canada Ltd since July 17, 2007
Ingenico Italia SpA since September 28, 2007

Board member and Chairman:
Ingenico Barcelona S.A. since July 18, 2007
Ingenico Iberia S.L.: Board member since July 18, 2007 and Chairman since September 25, 2007
Ingenico Ödeme Sistem Cözumleri A.S. since July 17,2007
Ingenico Elektronik Sanayi Dis Ticaret A.S. since July 17, 2007
Ingenico Inc. since July 17, 2007
Ingenico Mexico S.A. de CV since July 19, 2007
Ingenico Electronic Equipments (Beijing) CO LTD since September 30, 2007
Fujian Landi Commercial Equipments Co. Ltd (China) since June 25, 2008
Ingenico Services Iberia S.A.(Spain) since September 8, 2010

Board member:
Ingenico International (Pacific) PTY LTD since September 19, 2007
Ingenico UK LTD since July 17, 2007
Ingenico International (Singapore) PTE LTD since December 19, 2007
Ingenico International India PTE LTD since June 27, 2008
Epos Italia SPA since October 18, 2007
Fixed and Mobile Pte Ltd, since July 2, 2010

Former positions held in the past five years:

Legal representative of Ingenico on the Strategy Committee of:
Natural Security SAS (formerly P1G S.A.S. (France) until July 10, 2009

Executive Vice President:
LA POSTE until July 13, 2007
(and CEO of **LA POSTE GENERAL PUBLIC AND TERRITORIAL DEVELOPMENT** until July 13, 2007)

Chairman and CEO:
LA POSTE SERVICES À LA PERSONNE S.A. until November 5, 2007

CEO:
POSTE IMMO S.A. until September 1, 2007

Manager:
DI Deutsche Ingenico Holding GmbH until December 16, 2009

Chairman of the Board:
POSTE IMMO S.A. until September 17, 2007

Chairman:
Ingenico France SAS (France) until September 30, 2010
IMMOSTOC SAS until September 17, 2007

Board member:
INGENICO JAPAN KK until June 15, 2009
Europa Communications Pty Ltd until December 14, 2010
SOVAFIM S.A. until 2007

Board member and CEO:
Ingenico Software Services Philippines Inc, until October 30, 2010

Board member and Chairman:
Ingenico Investment Luxembourg SA, until June 13, 2010

Legal representative of Poste Immo S.A., Chairman until September 1, 2007:
LOCAPOSTE S.A.S.
CIPOSTE S.A.S.
PI 4 S.A.S.
PI 5 S.A.S.
PI 6
VEHIPOSTE

Legal representative of Poste Immo S.A., Trustee until September 1, 2007:
S.C.I. ACTIVITES ANNEXES
S.C.I. ACTIVITES COLIS
S.C.I. ACTIVITES COURRIER INDUSTRIEL
S.C.I. ACTIVITES COURRIER DE PROXIMITE
S.C.I. BP
S.C.I. BP MIXTE
S.C.I. CENTRE DE LOISIRS
S.C.I. CRSF DOM
S.C.I. FOYERS
S.C.I. LOGEMENT
S.C.I. PI 3
S.C.I. TERTIAIRE
S.C.I. TERTIAIRE MIXTE
S.C.I. TERTIAIRE SAINT ROMAIN
S.C.I. TERTIAIRE SF MIXTE
S.C.I. 44 VAUGIRARD

Allan GREEN

- Chairman of the Strategy Committee
- Member of the Compensation and Appointments Committee
- Member of the Operations Committee
- 40,190 Ingenico shares held

Experience and expertise

Allan Green founded CANDEL ET PARTNERS, a company specializing in mergers and acquisitions, investment capital and venture capital, in 1992, and also serves as CEO of the company. In 1998, he set up FBT (formerly FINANCIÈRE DE TAYNINH), a holding company with a controlling interest in the listed company Société de Tayninh, of which he was also the CEO until July 2006, at which time the company was bought out by UNIBAIL. In 2001, he established CONSELLIOR, a company that also deals with mergers and which he manages.

Positions and duties in Ingenico in 2010:

- Chairman of the Strategy Committee
- Compensation and Appointments Committee member
- Operations Committee member, since March 17, 2010

Main positions and duties outside Ingenico in 2010:

Chairman:
CONSELLIOR SAS
CANDEL & PARTNERS SAS
CONSELLIOR HOLDING SAS

Other current positions and duties:

CEO:
CONSELLIOR S.A. since November 15, 2007

Trustee:
SCI 4H since April 27, 2000
MARTIEN R.E.I. since December 15, 2005
ABA CONSEIL S.A.R.L. since February 15, 2007
CONSELLIART S.P.R.L. since October 26, 2006

Liquidator – voluntary wind-up :
FBT SCA since February 7, 2003

Board member:
NSTUTA GOLD MINING LDT (Ghana) since January 2009

Former positions held in the past five years:

CEO:
SOCIÉTÉ DE TAYNINH from June 8, 1998 to July 17, 2006

Chairman:
MEDIGIS, Board member from May 17, 2004 to March 6, 2007, and subsequently Chairman from March 6, 2007 to December 31, 2008

Board member:
ADVANCED VISION TECHNOLOGY from May 5, 2004 to September 18, 2007

Permanent representative:
Trivon A.G., Permanent representative of FBT S.C.A. from September 27, 2004 to November 19, 2007
ESCOMED SA Permanent representative of MEDIGIS from July 29, 1997 to November 26, 2010

Jean-Paul JAINSKY

- Chairman of the Operations Committee
- Strategy Committee member
- 1,079 Ingenico shares held

Experience and expertise

Jean-Paul Jainsky holds a degree from the Ecole Supérieure des Arts et Métiers. He has been the Chairman and Chief Executive Officer of MORPHO (formerly Sagem Sécurité S.A.) since July 2007. He started out in machine manufacturing management at Société Anonyme de Télécommunications in 1975, before becoming production manager at the Poitiers factory in 1988. Mr. Jainsky joined Sagem S.A. in 1993, holding a variety of positions that include industrial coordinator in the electronics division, manager of the Montluçon plant and director of the security division. In 2002, he became the director of the security division at Sagem and, as of 2005, at Sagem Défense Sécurité.

Positions and duties in INGENICO in 2010:

- Chairman of the Operations Committee since March 17, 2010
- Strategy Committee member

Main positions and duties outside INGENICO in 2010:

Chairman and CEO of **MORPHO** (formerly Sagem Sécurité S.A., France Safran Group)

Other current positions and duties:

Chairman:
MORPHO USA, Inc (USA, Safran Group) since August 2, 2010

Board member:
SAGEM TELECOMMUNICATIONS (French S.A., Safran Group)
CONFIDENCE (French S.A., Safran Group)

Permanent representative of MORPHO (formerly Sagem Sécurité) on the Board of :
SAGEM SECURITE MAROC (Morocco, Safran Group) since January 11, 2010

Chairman:
MORPHOTRAK, INC. (USA, Safran Group)
MORPHO Australasia Pty Ltd (formerly SAGEM Australasia Pty Ltd) (Australia, Safran Group)

Board member:
MORPHO DETECTION, INC. (USA, Safran Group) since September 4, 2009
SMART CHIP LTD (India, Safran Group)
SYSCOM CORPORATION LTD (India, Safran GROUP)
SAGEM SECURITY INTERNATIONAL TRADING (SHANGHAI) Co. Ltd (China, Safran Group) since December 25, 2010

Supervisory Board (“Aufsichtrat”) member of **SAGEM ORGA GMBH (Germany, Safran Group)**

Supervisory Board member of **MORPHO B.V. (formerly SAGEM IDENTIFICATION B.V.) (Netherlands, Safran Group)**

Former positions held in the past five years:

Executive Vice President, Director of Security at **SAGEM DÉFENSE SÉCURITÉ (French S.A., Safran Group)**, from 2005 to July 1, 2007

Chairman:
SAGEM MONETEL (France S.A.S., Safran Group) until March 14, 2008
SAGEM XELIOS (SAS, France, Safran Group) until December 17, 2010

Chairman:
SAGEM Denmark A/S (Denmark, Safran Group) until March 14, 2008
SAGEM SECURITY INTERNATIONAL TRADING (SHANGHAI) Co. Ltd (China, Safran Group) until December 25, 2010

Permanent representative of Sagem Défense Sécurité, and subsequently of Morpho (formerly Sagem Sécurité) on the Boards of Directors of the following:
CIVI.POL CONSEIL (French S.A., Safran equity interest) until February 1, 2008
KEYNECTIS (French S.A., Safran equity interest) until December 2007
ASSIAQA CARD (Morocco, Safran equity interest) until January 14, 2010

Board member:
WUHAN TIANYU INFORMATION INDUSTRY Co. Ltd (China) until December 2007
SAGEM SECURITY SOUTH AFRICA Pty Ltd (South Africa, Safran Group) until January 14, 2008

Management Board member:
SAGEM ORGA GMBH (Germany, Safran Group) until July 2007

Michel MALHOUITRE

- Strategy Committee member
- Compensation and Appointments Committee member
- 670,779 Ingenico shares held

Experience and expertise

Michel Malhouitre is a digital electronics design and development engineer with an engineering degree from the Ecole Française de Radioélectricité et d'Electronique. In 1980, he co-founded INGENICO with Jean-Jacques Poutrel. He was technical director of INGENICO until 2000 and has served on the Board of Directors since the company's inception.

Positions and duties in Ingenico in 2010:

- Strategy Committee member
- Compensation and Appointments Committee member

Main positions and duties outside Ingenico in 2010:

none

Other current positions and duties:

Trustee:
S.C.I. BLEU GESTION

Former positions held in the past five years:

none

Alain MARCHETEAU

- Audit Committee member
- Corporate Governance and Ethics Committee member
- 1,096 Ingenico shares held

Experience and expertise

Alain Marcheteau was the Corporate Secretary of Safran from October 2004 to July 1, 2009. He served as civilian administrator at Transport Ministry from 1971 to 1975, then at the Finance Ministry (Treasury Department) from 1975 to 1981. He worked at Air France as Treasurer, Chief Financial Officer and Executive Vice President (finance and subsidiaries) from 1981 to 1991. He then served as Chief Financial Officer at Compagnie de Suez from 1991 to 1996 and as Chairman of 1SM, the leasing subsidiary of Crédisuez, from 1996 to 1998, and as Deputy Chief Executive and project leader for the Suez-Lyonnaise des Eaux Management Board from 1998 to 1999. He joined the Snecma Group in 1999, working as Executive Vice President, Economic and Financial Affairs, until he moved on to his current position in October 2004. Mr. Marcheteau holds a degree from the Institut d'Etudes Politiques de Paris and a law degree. He also attended the Ecole Nationale d'Administration.

Positions and duties in Ingenico in 2010:

- Audit Committee member
- Corporate Governance and Ethics Committee member

Main positions and duties outside Ingenico in 2010:

None

Other current positions and duties:

Board member:
COMPAGNIE DAHER since September 2009
SODEXO since January 25, 2010

Board member in the following Safran Group companies:
MORPHO (formerly SAGEM SÉCURITÉ; S.A., France, Safran Group)
AIRCELLE (French S.A., Safran Group)
MESSIER-BUGATTI (French S.A., Safran Group)
SAFRAN CONSEIL (French S.A., Safran Group)

Supervisory Board member of:
SAGEM IDENTIFICATION B.V. (Netherlands, Safran Group) since September 1, 2008

Former positions held in the past five years:

Safran Corporate Secretary and Executive Committee member until July 1, 2009

Chairman and CEO:
VALIN PARTICIPATIONS (French S.A., Safran Group) until January 2008
LEXVALL 2 (French S.A., Safran Group) until December 2006
ETABLISSEMENTS VALLAROCHE (French S.A., Safran Group) until July 1, 2009
VALLAROCHE CONSEIL (French S.A., Safran Group) until March 31, 2009

Board member:
LABINAL (French S.A., Safran Group) until September 2008
SAGEM COMMUNICATIONS S.A.S. (ex-Lexvall 20; French S.A.S.) until January 2008
CONNECTEURS CINCH (French S.A., Safran Group) until June 2007
SNECMA SERVICES (French S.A., Safran Group) until July 1, 2009

SOREVAL (Luxembourg, Safran Group) until July 1, 2009
SAGEM TELECOMMUNICATIONS (French S.A., Safran Group) until July 1, 2009
SAGEM MOBILES (ex-Lexvall 18; French S.A., Safran Group) until July 1, 2009

Permanent representative of Safran on the Board of Directors of the following:
SAGEM DÉFENSE SÉCURITÉ (French S.A., Safran Group) until September 2007
AIRCELLE (French S.A., Safran Group) until July 1, 2009
MESSIER-BUGATTI (French S.A., Safran Group) until July 1, 2009

Permanent representative of Etablissements Vallaroche, Chairman:
LEXVALL 21 (French S.A.S., Safran Group) until July 1, 2009

Permanent representative of Etablissements Vallaroche on the Board of Directors of the following:
LEXVALL 19 (French S.A., Safran Group) until 2008
LEXVALL 18 (French S.A., Safran Group) until July 2007
LEXVALL 20 (French S.A., Safran Group) until July 2007
LEXVALL 17 (French S.A., Safran Group) until June 2007
SAFRAN SIXTY (French S.A., Safran Group) until July 1, 2009
LEXVALL 13 (French S.A., Safran Group) until July 1, 2009
LA FINANCIERE DE BRIENNE (French S.A.S.C.V., Safran equity interest) until July 1, 2009
LEXVALL 22 (French S.A., Safran Group) until July 1, 2009
LEXVALL 23 (French S.A., Safran Group) until July 1, 2009
LEXVALL 24 (French S.A., Safran Group) until July 1, 2009
LEXVALL 25 (French S.A., Safran Group) until July 1, 2009

Board member:
SAFRAN TAIWAN CO. LTD (Taiwan, Safran Group), until July 1, 2009

Xavier MORENO

- Compensation and Appointments Committee Chairman
- Strategy Committee member
- 2,102 Ingenico shares held

Xavier Moreno is an independent member of the Board of Directors.

Experience and expertise

Xavier Moreno holds degrees from the Ecole Polytechnique, the Institut d'Etudes Politiques and the Ecole Nationale d'Administration. He began his career in 1976 in the Treasury Department of the Finance Ministry, carrying out a variety of functions related to business funding. In 1985, he joined Sanofi, where he was a Branch Manager and a member of the Executive Committee. After managing investments in industry for Compagnie de Suez from 1991 to 1997, he founded Astorg Partners in 1998, and has served as its Chairman ever since. Astorg Partners is one of France's leading independent fund management companies, which specializes in corporate buyouts. In 2002 and 2003, Mr. Moreno chaired the Association Française des Investisseurs en Capital (AFIC).

Positions and duties in Ingenico in 2010:

- Strategy Committee member
- Chairman of the Compensation and Appointments Committee,

Main positions and duties outside Ingenico in 2010:

Chairman:
ASTORG PARTNERS S.A.S.

Other current positions and duties:

Supervisory Board Chairman:
HONORINE S.A.S. (Staci Group)

Supervisory Board member:
GS & Cie Groupe S.A. (Gras Savoye Group)

Executive Committee member:
CAPUCINE S.A.S. (Webhelp Group)
FINANCIÈRE OFIC S.A.S. (Onduline Group)

Board member:
ETHYPHARM S.A.
FINANCIÈRE VERDI S.A.S. (Ethypharm Group)
ONDULINE S.A.
SCT TELECOM S.A.

Representative of Astorg Partners S.A.S., Chairman:
ASTORG TEAM III S.A.S. S.C.R.

Chairman:
BORDEAUX TEAM IV S.A.S.
FINANCIÈRE AMARYLLIS IV S.A.S.
FINANCIÈRE MUSCARIS IV S.A.S.
MERCURE TEAM IV S.A.S.
CHURCH TEAM IV S.A.S.

Former positions held in the past five years:

Chairman and CEO:
SI FINANCE S.A. (Suez Group) until April 8, 2009

Chairman:
SPFF S.A.S. (Suez Group), until March 27, 2009
EUROPÉENNE DE GASTRONOMIE S.A.S. (Suez Group) until March 27, 2009

Supervisory Board Chairman:
STACI DÉVELOPPEMENT S.A. until 2007
CELLIANDE S.A.S. (CIS Group) until 2006

Board member:
OFEC S.A. (Onduline Group) until 2007
OFIC S.A. (Onduline Group), until 2008
FINANCIÈRE IMPALA S.A.S. (Mecatherm Group) until 2006
REGIE LINGE FINANCES S.A. until 2006
GEOSERVICES SA (representative of Astorg Partners) until 2010

Representative of Astorg Partners S.A.S., Chairman:
FINANCIERE ROMARIN SAS (Pino Group), until 2008

Representative of Astorg Partners S.A.S., Supervisory Board member:
FINANCIERE MARJOLAINE S.A. (Pino Group) until 2007
FINANCIERE DU JASMIN S.A. (Pino Group) until 2007
FINANCIERE UN JOUR AILLEURS S.A. until 2006
VETSOCA S.A. (Un Jour Ailleurs Group) until 2006

Representative of Astorg Partners S.A.S., Board member:
CEFID S.A. (Cerba Group) until 2006
CERBA EUROPEAN LAB. S.A. until 2006
FINANCIÈRE VULCAIN S.A. (ECM Group) until 2007

Executive Committee member:
FINANCIERE SERINGA III SAS (Trescal Group) until 2010
JUG SA (GEOSERVICES Group), until 2010

Emmanuel MOUNIER

• Strategy Committee member
• Corporate Governance and Ethics Committee member
• 1,010 Ingenico shares held

Experience and expertise

Emmanuel Mounier joined Safran in July 2007 as Vice President, Strategic Affairs. He began his career at Paribas in 1997 in Mergers and Acquisitions, before moving on to the Corporate Strategy department of Paribas, and subsequently of BNP Paribas.
In 2001, he entered Pechiney as Corporate Finance Manager. When Pechiney merged with Alcan, he was appointed Director, Mergers and Acquisitions, with particular responsibility for restructuring the global portfolio of both packaging and aluminum businesses. In 2006, he joined Dassault Systèmes as Vice President, Investor Relations and Mergers and Acquisitions. In the course of his career, Mr. Mounier has carried out, negotiated and finalized more than 30 M&A deals and complex financing projects. He participated actively in the 1999 BNP-Paribas merger, the 2001 Pechiney-Alcan merger, and successfully led Safran's 2-step divestiture of Sagem's Broadband and Mobile businesses, the 2008 payment terminals business swap between Safran and Ingenico and the expansion of Safran over the past two years into Homeland Security. Mr. Mounier graduated in 1994 from the Ecole Polytechnique in Paris with an engineering degree.

Positions and duties in Ingenico in 2010:

• Strategy Committee member
• Corporate Governance and Ethics Committee member

Main positions and duties outside Ingenico in 2010:

Safran Group Vice President, Strategic Affairs

Other current positions and duties:

Manager:
SCI ARROW – GRANDS AUGUSTINS
USTONE TECHNOLOGIES (SARL)

Former positions held in the past five years:

none

Jean-Jacques POUTREL

• Strategy Committee member
• Compensation and Appointments Committee member
• 294,697 Ingenico shares held

Experience and expertise

A pioneer in the electronic payment industry, Jean-Jacques Poutrel is one of the largest contributors to the industry's global development. He began developing sophisticated electronic payment solutions for hotels and hospitals as early as 1968. In 1980, he founded the INGENICO Group, of which he remained Chairman and CEO until 2003. Mr. Poutrel made INGENICO a worldwide leader of electronic payment.

Positions and duties in Ingenico in 2010:

- Strategy Committee member
- Compensation and Appointments Committee member

Other current positions and duties:

Board member:
ATLANTIC RADIO SYSTEM S.A.

Former positions held in the past five years:

none

Thibault POUTREL

- Strategy Committee member
- Audit Committee member
- Operations Committee member
- 831,519 Ingenico shares held

Experience and expertise

Thibault Poutrel was educated at the Institut d'Etudes Politiques (IEP) in Paris and the London School of Economics. He worked for ABN AMRO France prior to joining Rothschild & Cie Bank. In 2001, he founded an investment vehicle, Diamond Minds, of which he is Trustee. In 2003, he founded Access Consulting, a firm providing Internet and software integration consulting services. In 2008, he founded Beaubourg Capital S.A.S., a venture capital firm.

Positions and duties in Ingenico in 2010:

- Strategy Committee member
- Audit Committee member
- Operations Committee member since March 17, 2010

Main positions and duties outside Ingenico in 2010:

Chairman:
BEAUBOURG CAPITAL S.A.S.

Other current positions and duties:

Board member:
COME AND STAY S.A.

Trustee:
S.C.I. DU 44 RUE DE MEAUX
DIAMOND MINDS INVESTMENT S.A.R.L.
ACCESS CONSULTING S.A.R.L.

Supervisory Board member of:
Cryptolog SAS

Former positions held in the past five years:

none

Thierry SEIZILLES de MAZANCOURT

- Compensation and Appointments Committee member
- 1,060 Ingenico shares held

Experience and expertise

Thierry Seizilles de Mazancourt began his career in 1984 at the Ministry of Industry as nuclear plant inspector, before moving on to the Treasury in 1988. At the Treasury, he was initially responsible for monitoring public sector electronics and arms manufacturers, before being put in charge of the financial protocol office. From 1993 to 1995, he was the Prime Minister's advisor on industrial affairs, research and the environment. In 1995, he became the Chief Executive Officer of the Filtrauto division of Labinal. From 2000 to 2002, he served as Chief Executive Officer of Alcatel Contracting. In 2002, he returned to government service, first as head of department staff for the Minister of State for Research and Higher Education, then as project leader for the Minister of State for Foreign Trade until March 2004. At that point, he joined the Safran Group, working initially as the assistant to the Executive Vice President in charge of strategy and development, and subsequently as the head of strategic studies. When the company was incorporated in July 2007, he joined its subsidiary Sagem Securité, now Morpho, as Executive Vice President, a position he held until August 31, 2010. Mr. Seizilles de Mazancourt studied at the Ecole Normale Supérieure and holds a degree from the Ecole des Mines de Paris. He is also a qualified mathematics teacher.

Positions and duties in Ingenico in 2010:

- Compensation and Appointments Committee member

Main positions and duties outside Ingenico in 2010:

Executive Vice-President of **Morpho** (**formerly Sagem Securité SA**) until August 31, 2010
Chairman and Chief Executive Officer of **Safran Conseil** since November 24, 2010

Other current positions and duties:

Board member:
MORPHOTRAK Inc. (USA, Safran Group, formerly Sagem Morpho)

Former positions held in the past five years:

Executive Vice President of **Sagem Sécurité S.A** until August 31, 2010

Director of Economic and Financial Affairs:
SAGEM SECURITE S.A. until August 31, 2010

Chairman:
ALEAT (Albania, Safran Group) until August 31, 2010

Board member:
ASSIAQA CARDS (Morocco) until August 6, 2010

Member of Advisory Board:
SAGEM ORGA GmbH (Germany, Safran Group) until December 22, 2010

Trustee:
ESPACE ACCASTILLAGE ET SERVICES (French S.A.R.L.) until December 31, 2010

Board member:
- **SNECMA PROPULSION SOLIDE (French S.A., Safran Group)**
- **SAGEM SÉCURITÉ MAROC (Morocco, Safran Group)**

Jacques STERN

- Strategy Committee member
- 28,620 Ingenico shares held

Experience and expertise

Jacques Stern is a graduate of the Ecole Normale Supérieure (ENS) and defended his doctoral thesis in 1975. He has held teaching positions at the Université de Caen and Université de Paris VII, and prior to his appointment as Chairman of the Ingenico Board of Directors, he was a professor at the ENS as well as head of the IT department from 1996 to 2007. From 2007 to the beginning of 2010, he was on leave of absence from those positions, serving as Chairman of the Ingenico Board of Directors. Mr. Stern is a cryptography specialist who has authored over a hundred articles in scientific publications as well as a book entitled La Science du Secret. He own a dozen patents for his inventions. Mr. Stern was a member of the Defense Science Board from 1999 to 2005, a member of the Strategic Advisory Board on Information Technologies from 2001 to 2007 and a member of the Observatory for Payment Card Security from 2003 to 2009. He is a Knight of the French Legion of Honor. In 2006, he received the CNRS gold medal, and in early 2007, he was awarded the RSA® prize for excellence in mathematics. From August 2007 to May 2010, he chaired the Board of Directors of the Agence Nationale de la Recherche and since the end of this term of office, he is Counselor before the Higher Education and Research Ministry.

Positions and duties in Ingenico in 2010:

- Chairman of the Board until January 20, 2010
- Strategic Committee member since March 17, 2010

Main positions and duties outside Ingenico in 2010:

- Professor at the Ecole Normale Supérieure

Other current positions and duties:

- Counselor before the Higher Education and Research Ministry
- Board member of MORPHO SA (formerly SAGEM SÉCURITÉ S.A.) -

Former positions held in the past five years:

- Permanent representative of the AGENCE NATIONALE DE LA RECHERCHE, Observer (independent advisor) on the Board of OSEO Innovation S.A. until May 20, 2010
- Chairman of the Board of the AGENCE NATIONALE DE LA RECHERCHE until May 20, 2010
- Chairman of the Board of INGENICO from June 27, 2007 until January 20, 2010,
- Trustee of Société Civile Immobilière les Avelines de Cabourg until December 30, 2006
- Member of the Conseil Stratégique des Technologies de l'Information (CSTI) until March 22, 2007
- IT expert until December 31, 2006
- Member of the France Telecom Science Commission until December 31, 2009
- Member of the Observatory for Card Payment Security (OSCP) until 31 July 2009

Elie VANNIER

- Audit Committee Chairman
- Compensation and Appointments Committee member
- Corporate Governance and Ethics Committee member
- 2,155 Ingenico shares held

Elie Vannier is an independent member of the Board of Directors.

Experience and expertise

Elie Vannier holds a master's degree in law and a higher degree in law and political science from the Sorbonne (Paris I). Initially a journalist, he has held a number of positions, including Antenne 2 news director until 1988. He then moved on to a career in industry, working as diversification manager at Strafor Facom until 1991, then as Chief Executive Officer of the French subsidiary of the bank Deutsche Morgan Grenfell. In 1997, he joined GrandVision, where he held the positions of Chief Financial Officer and Group Chief Executive Officer.

Positions and duties in Ingenico in 2010:

- Audit Committee Chairman
- Compensation and Appointments Committee member

Main positions and duties outside Ingenico in 2010:

Chairman of the Board of Directors of **FLAMEL TECHNOLOGIES S.A.**

Other current positions and duties:

Deputy Chairman of the Supervisory Board of **GROUPE LORET (France)**

Board member:
CONBIPEL (Italy)
FAMAR (Greece)
COMPAGNIE EUROPEENNE DE TELEPHONIE (Luxembourg)

Former positions and duties held in the past five years:

Sole Director of **WALLY Europe s.r.l. (Italy)**
Supervisory Board member of **PROMOD S.A.** until December 2007
Board member of **VISILAB (Switzerland)**
Board member, Chairman or Deputy Chairman of all French and foreign subsidiaries of **GRANDVISION S.A.**

CONSELLIOR S.A.S.

- 10,619 Ingenico shares held

CONSELLIOR S.A.S., a company founded in 2001, provides companies with consulting and support services in administration and finance, in mergers and acquisitions and in strategic wealth management. Mr. Allan Green is the company's Chairman and CEO.

CONSELLIOR S.A.S. is represented on the INGENICO Board of Directors by Mr. Guillaume Cerutti, Consellior's permanent representative since January 19, 2010.

Age 43, Guillaume Cerutti holds degrees from the Ecole Nationale d'Administration and the Institut d'Etudes Politiques de Paris. He started his career in 1991 in the French Treasury's Department for Auditing Public Bodies before serving as financial advisor to the Secrétariat Général pour les Affaires Européennes (Office for European Affairs). From 1996 to 2001, he was the Managing Director of the Centre Pompidou in Paris, and in 2002 he became chief of staff to the Minister for Culture and Communication, Jean-Jacques AILLAGON. In 2004, Guillaume was called in to head the Department of Competition Policy, Consumer Affairs and Fraud Control at the Ministry for the Economy and Finance. Since September 2007, he has held the position of President and Chief Executive Officer of Sotheby's France.

Main positions and duties outside Ingenico in 2010:

Chairman and CEO of **Sotherby's France**

Other current positions and duties:

Chairman of the Board of the Institut de Financement du Cinema et des Industries Culturelles (IFCIC)

Former positions held in the past five years:

none

Family relationships

There are no family relationships among the members of the Board of Directors other than the father-son relationship between Mr. Jean-Jacques Poutrel and Mr. Thibault Poutrel.

Involvement in legal proceedings

The members of the Board of Directors hereby declare that during the past five years, none of them has been convicted, incriminated and/or sanctioned by an official public authority, disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of an issuer, or been involved in bankruptcy, receivership or liquidation proceedings as set forth in Annex I to Commission (EC) Regulation No. 809/2004 of April 29, 2004.

Functioning of the Board of Directors

Functioning of management and oversight bodies
(Articles 12 and 13 of the Articles of Association)

Appointment of Directors: The Company is directed by a Board of Directors consisting of three to thirteen members chosen from among the shareholders.

Directors shall be elected to office and revoked by the Annual Meeting of Shareholders. The term of office of a Director is six years.

Plurality of mandates as director and executive officer in several corporations (sociétés anonymes) is only permitted within the legally prescribed limits.

A Company employee may be appointed to the Board of Directors, but only if his or her employment contract predates this appointment and corresponds to a position actually held. The employee-Director does not lose the benefit of his or her employment contract. The number of Directors bound to the Company by employment contracts may not exceed one third of all Directors in office. Any appointment made in violation of the above provision shall be declared null and void. However, this does not render null and void the proceedings in which the improperly appointed Director has taken part.

In case of death or resignation of a Director, the Board of Directors may make a provisional appointment between two shareholders' meetings. Any such provisional appointment must be ratified by the next meeting of shareholders. Even if the meeting does not ratify the appointment, the prior proceedings and acts of the Board of Directors shall be considered valid.

When the number of Directors in office drops below three, the remaining Directors must immediately convene a meeting of shareholders in order to bring Board membership up to the required minimum.

Age limit: The number of Directors (individuals or representatives of legal entities) more than 75 years of age may not exceed one third, rounded to the next higher number, of Directors in office on the date of the Annual Meeting called to approve the annual financial statements. When this recommended number has been exceeded, the oldest Director, except for the Chairman, shall be considered to have resigned.

Legal entities that are Directors: If a company is on the Board of Directors, as soon as it is appointed, it must designate a permanent representative who shall be subject to the same conditions and obligations and have the same duties as any individually appointed Director, without prejudice to the several liability of the legal entity represented. When a legal entity dismisses its permanent representative, it must at the same time provide for a replacement. The same applies in case of death or resignation of the permanent representative.

Share ownership by Directors: Each Director must own at least ten (10) Company shares. These shares must be held in registered form, fully paid up and non-assessable. This requirement does not apply to employee shareholders who have been appointed to the Board of Directors under Article L. 225-22 of the French Commercial Code.

Directors appointed during the life of the Company who were not shareholders at the time of the appointment must acquire the minimum number of shares required within six months of their appointment. Should this requirement not be fulfilled, said Directors shall be considered to have resigned.

Chairman of the Board of Directors: The Board of Directors shall elect one of its members Chairman. This position must be occupied by an individual (rather than a legal entity), or the appointment shall be declared null and void.

The Chairman of the Board of Directors organizes and directs the Board of Directors, and represents it at the Annual Meeting of Shareholders. He also makes sure that the Company's various bodies are functioning properly, particularly that the Board members are able to fulfill their mandate.

The Chairman's term of office expires by right at the first Annual Meeting of Shareholders held during the year of his seventy-fifth birthday.

Deputy Chairman: Should the Chairman be temporarily unavailable or die, the Board of Directors may appoint one of its members Deputy Chairman of the Board. In case of unavailability, this appointment is renewable. In case of death, it shall be valid until a new Chairman is elected.

Chief Executive Officer: Day-to-day management of the Company shall be the responsibility of either the Chairman of the Board of Directors or of any other individual appointed by the Board and designated as the Chief Executive Officer.

The Board of Directors chooses between these alternative arrangements for managing the Company in accordance with the quorum and majority requirements set forth in Article 12. The shareholders and third parties are informed of this choice as provided for by a decree of the French Conseil d'Etat.

If management of the Company is entrusted to the Chairman of the Board of Directors, the provisions below regarding the Chief Executive Officer shall apply to him. The Chief Executive Officer may be dismissed at any time by the Board of Directors. If dismissed without due cause, the Chief Executive Officer may claim damages, provided that he or she does not simultaneously hold the office of Chairman of the Board of Directors.

When the Chief Executive Officer ceases to hold office or is unable to fulfill his or her mandate, the Executive Vice Presidents preserve their functions and attributions, unless otherwise decided by the Board of Directors, until a new Chief Executive Officer is appointed.

An individual may not simultaneously hold more than one mandate as chief executive officer of corporations (sociétés anonymes) with their registered offices in France, except when the second mandate is held in a corporation controlled, within the meaning of "control" set forth in Article L. 233-16 of the French Commercial Code, by the corporation in which the first mandate is held.

The Chief Executive Officer may not be more than seventy-five years of age.

The Chief Executive Officer has the broadest possible powers to act in all circumstances on behalf of the Company. He or she shall exercise these powers within the scope of the corporate purpose and subject to the powers expressly assigned by law to the shareholders and to powers specific to the Board of Directors.

The Chief Executive Officer represents the Company in its relations with third parties. The Company is bound by all acts of the Chief Executive Officer that do not come within the scope of the corporate purpose, unless the Company can prove that the third party knew, or must have known in the circumstances, that the act in question fell outside the scope of the corporate purpose. The disclosure of the Articles of Association is not, in and of itself, sufficient proof thereof.

Neither the provisions of the Articles of Association nor any decisions by the Board of Directors to limit the powers of the Chief Executive Officer are binding on third parties.

Executive Vice Presidents: On the recommendation of the Chief Executive Officer, the Board of Directors may appoint one or more persons to act as Executive Vice President. The maximum number of Executive Vice Presidents is set at five.

Executive Vice Presidents may be dismissed by the Board of Directors on the recommendation of the Chief Executive Officer. If dismissed without due cause, an Executive Vice President may claim damages.

An Executive Vice President may not be more than seventy-five years of age.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and the duration of the powers delegated to the Executive Vice Presidents. The latter have the same powers as the Chief Executive Officer with respect to third parties.

Proceedings of the Board of Directors: The Board of Directors shall elect one of its members Chairman for a term of office set at the Board's discretion, but which may not exceed said member's term as Director. The Chairman may not be a legal entity, and may be re-elected for an indefinite number of consecutive terms.

The Board may also appoint a Secretary, who need not be a Board member.

The Board of Directors meets as often as the interests of the Company dictate. Meetings may be called by the Chairman, or alternatively at the request of half of the members of the Board, and held at the place indicated in the call to meeting. They may be called using any means determined by the Board.

When the Board of Directors has not met for over two months, its members may request that the Chairman call a meeting with a specific agenda, provided that at least one third of all members sign the request.

The Chief Executive Officer may also request that the Chairman call a meeting with a specific agenda.

An attendance register is to be signed by all Directors attending the meeting.

The proceedings of Board meetings shall not be considered valid unless at least half of all Board members in office, and no less than two Board members, are present. Decisions require a simple majority of those Board members present or represented at the meeting, with the Chairman holding the casting vote in the event of a tie. If only two Board members are present, any decisions require consensus.

The Board of Directors may include in its rules of procedure the provision that Directors shall be considered present, for calculating quorum and majority, if they take part in Board meetings via videoconferencing or telecom systems allowing them to be identified and enabling them to participate effectively, the characteristics of which are set forth by a decree of the French Conseil d'Etat, with the exception of meetings at which the Chairman of the Board and the Chief Executive Officer are elected or removed from office, as well as at meetings related to the matters referred to in Articles L.232-1 and L.233-16 of the French Commercial Code.

The minutes of the proceedings at every Board meeting are recorded in a special register, signed by the Chairman and at least one other Board member.

The extracts or copies of these minutes shall be certified valid by the Chairman of the Board, the Chief Executive Officer, the Executive Vice Presidents or the Board member serving as acting Chairman. In case of liquidation, these extracts or copies shall be certified valid by the liquidator.

Mandate of the Board: The Board of Directors is responsible for determining the Company's strategic policies and ensuring that they are implemented. Subject to the powers expressly assigned by law to the shareholders and within the scope of the corporate purpose, the Board of Directors concerns itself with all issues related to the proper functioning of the Company and settles them through its deliberations.

In its relations with third parties, the Company is bound by all acts of the Board of Directors, including those that do not come within the scope of the corporate purpose, unless the Company can prove that the third party knew, or must have known in the circumstances, that the act in question fell outside the scope of the corporate purpose. The disclosure of the Articles of Association is not, in and of itself, sufficient proof thereof.

The Board of Directors carries out any controls and verifications it may deem appropriate. The Chairman or the Chief Executive Officer of the Company is required to provide every Board member with all the documents and information he or she needs to fulfill his or her mandate.

The Chief Executive Officer keeps the Board of Directors informed of any decision planned or already implemented by him- or herself in managing the Company.

Commitments by the Company to provide guarantees and pledge assets as security interests require the approval of the Board of Directors.

Special-focus committees

The Strategy Committee

At December 31, 2010, the Strategy Committee was composed of eight members, including a chairman, appointed by the Board of Directors: Allan Green, the Committee Chairman, Jean-Paul Jainsky, Michel Malhouitre, Xavier Moreno, Emmanuel Mounier, Jean-Jacques Poutrel ,Thibault Poutrel and Jacques Stern.

The Strategy Committee has been given the following mandate:

- To examine investment projects and plans for expanding existing operations in France or abroad, as well as any disposal plan, so that the Board of Directors may give the necessary approval.

- To monitor previous investments periodically and to carry out all appropriate research and assignments.

- To examine all proposals by financial investors or industrial firms to acquire a stake in the Company, particularly through merger and acquisition operations.

The Audit and Finance Committee

At December 31, 2010, the Audit and Finance Committee was composed of five members, including a chairman, appointed by the Board of Directors. The Committee members are Elie Vannier, the Committee Chairman, Guillaume Cerutti, Alain Marcheteau, William Nahum and Thibault Poutrel.

The mandate of the Audit and Finance Committee is to assist the Board of Directors, in continually monitoring the way in which the company is run, pursuant to the law and the Articles of Association of the Company. The Committee is also responsible for alerting the Board to any irregularities or anomalies it may detect in the Company's financial statements or in its internal control and risk management procedures.

The Audit and Finance Committee is more specifically responsible for monitoring and presenting the Board of Directors with its opinion on the following issues:

- The legally required examination of the Company's financial statements by the statutory auditors.
- The conditions under which the data in the annual and half-year financial statements are finalized.
- The process for preparing financial reporting data.
- Any material financing decisions (e.g. involving debt, equity or quasi-equity financing) envisioned by the Company.
- The efficiency of internal control and risk management systems.
- The independence of the statutory auditors.

The Compensation and Appointments Committee

At December 31, 2010, the Compensation and Appointments Committee was composed of six members, including a chairman, appointed by the Board of Directors: Xavier Moreno, the Committee Chairman, Allan Green, Jean-Jacques Poutrel, Michel Malhouitre, Thierry Seizilles de Mazancourt and Elie Vannier.

The Compensation and Appointments Committee makes recommendations to the Board of Directors on compensation of executive officers as well as on important appointments and employee shareholding policy.

The Corporate Governance and Ethics Committee

At December 31, 2010, the Corporate Governance and Ethics Committee was composed of three members, including a chairman, appointed by the Board of Directors: William Nahum, the Committee Chairman, Alain Marcheteau and Emmanuel Mounier.

On January 11, 2011 the Board of Directors also appointed Elie Vanier to the corporate Governance and Ethics Committee.

Its mandate is to examine all issues related to corporate governance and ethics inside the Group, and to convey its findings to the Board of Directors.

The Operations Committee

At December 31, 2010, the Operations Committee was composed of three members, including a chairman, appointed by the Board of Directors: Jean-Paul Jainsky, Chairman, Allan Green and Thibault Poutrel.

The mandate of this Committee is to monitor the accomplishment and status of any significant transactions under way.

Compensation and benefits of directors and executive officers

Compensation of members of the Board of Directors

Summary of compensation, stock options and performance shares granted to each executive officer by the Company

Ingenico's executive officers have not received any compensation/stock options/performance shares from Companies controlled by Ingenico, as defined in Article L.233-16 of the French Commercial Code.

Philippe LAZARE - Chairman and Chief Executive Officer (since January 20, 2010)

	2009	2010
Compensation due for the year (details below)	€1,012,019.03	€1,536,987.44
Value of stock options granted during the year (details below)	-	-
Value of performance shares granted during the year (details below)	€1,912,500	€856,900
TOTAL	**€2,924,519.03**	**€2,393,887.44**

Jacques STERN - Chairman (until January 20, 2010)

	2009	2010
Compensation due for the year (details below)	€300,000.04	€200,000*
Value of stock options granted during the year (details below)	-	-
Value of performance shares granted during the year (details below)	€137,900	-
TOTAL	**€437,900.04**	**€200,000**

* This is the amount which would have been due to Jacques Stern for the whole of year 2010. Considering the expiry of Jacques Stern's term as Chairman, he was paid €11,111.10 an amount proportional to the actual length of his term as Chairman in 2010.

Summary of compensation for each executive officer

Philippe LAZARE - Chairman and Chief Executive Officer (since January 20, 2010)

	2009		2010	
	Amounts due *	Amounts paid **	Amounts due *	Amounts paid **
Fixed compensation	€500,000.04	€500,000.04	€500,000.04	€500,000.04
Variable compensation	€500,000.00***	€875,000.00	€675,000.00***	€290,000.00
Exceptional compensation	0	0	€350,000.00****	0
Director's fees	0	0	0	0
Benefits in kind	€12,018.99	€12,018.99	€11,987.40	€11,987.40
TOTAL	**€1,012,019.03**	**€1,387,019.03**	**€1,536,987.44**	**€801,987.44**

* Amounts due: compensation accrued during the year, regardless of the date of payment.
** Amounts paid: compensation paid during the year.
*** Maximum variable compensation due
**** Exceptional compensation granted by the Board of Directors on February 25, 2011.

The breakdown of benefits in kind indicated in the preceding table is provided below:
- €4,271.40 in 2009 and €4,271.40 in 2010 relating to the use of a company vehicle.
- €7,747.59 in 2009 and €7,716 in 2010 relating to unemployment insurance for directors and officers.

The Board of Directors determined Philippe Lazare's fixed compensation with reference to the compensation paid by companies whose business is identical or similar to that of Ingenico.

On March 11, 2009, the Board of Directors resolved that Philippe Lazare's variable compensation for 2009 could equal 100 percent of his fixed compensation (€500,000) and divided this bonus into several parts: 75 percent is based on the attainment of growth, profitability, liquidity and risk management targets; the remaining share is at the discretion of the Board of Directors, based on the recommendation of the Compensation Committee.

Based on these criteria, on March 17, 2010, the Board of Directors resolved that Philippe Lazare would receive the amount of €290,000 as variable compensation for 2009.

On March 17, 2010, the Board of Directors set Philippe Lazare's variable compensation for 2010. The criteria used to determine such compensation were established by the Board on May 11, 2010: 70 percent (i.e. €350,000 – which can go as high as 150 percent of the stated amount, i.e. €525,000, depending on actual performance) is based on the attainment of specific targets, and the remaining 30 percent, i.e. €150,000, depends on qualitative assessment. Based on these criteria, on February 25, 2011 the Board of Directors resolved that Philippe Lazare would receive the amount of €575,520 as variable compensation for 2010.

Jacques STERN - Chairman (to January 20, 2010)

	2009		2010	
	Amounts due *	Amounts paid **	Amounts due *	Amounts paid **
- Fixed compensation	€200,000.04	€200,000.04	€200,000	€11,111.10***
- Variable compensation	0	0	0	0
- Exceptional compensation	€100,000.00	€100,000.00	0	€100,000.00
- Termination benefit				€200,000.00****
- Director's fees	0	0	0	0
- Benefits in kind	0	0	0	0
TOTAL	**€300,000.04**	**€300,000.04**	**€200,000**	**€311,111.10**

* Amounts due: compensation accrued during the year, regardless of the date of payment.
** Amounts paid: compensation paid during the year.
*** Amount proportional to the actual length of his term as Chairman in 2010.
**** All explanations regarding termination benefits are provided in the termination benefits obligations section of this Document.

The Board of Directors determined Jacques Stern's fixed compensation with reference to the compensation paid by companies whose business is identical or similar to that of Ingenico.

Jacques Stern's exceptional compensation relates to specific missions that he performed using his technical expertise, as authorized by the Board of Directors, in accordance with the procedure described in Article L.225-38 of the French Commercial Code. In accordance with a decision made by the Board of Directors on December 16, 2009, these missions were discontinued in 2010.

Following the combination of the positions of Chairman and Chief Executive Officer, decided by the Board of Directors on January 20, 2010, Jacques Stern received, in January 2010, a termination benefit of €200,000 and gross pay of €11,111.10 on a pro rata basis, corresponding to time served as Chairman in 2010. In early 2010, he also received €100,000 in gross compensation for specific missions performed using his technical expertise in 2009.

Director's fees and other compensation received by directors

Non executive Directors	Amounts paid in 2009*	Amounts paid in 2010**
ALLAN GREEN		
Director's fees	€25,371.21	€31,605
Other compensation		
DOMINIQUE HÉDON		
Director's fees	€12,995.01	
Other compensation		
JEAN-PAUL JAINSKY		
Director's fees	€14,851.44	€17,640
Other compensation		
MICHEL MALHOUITRE		
Director's fees	€21,658.35	€22,050
Other compensation		
ALAIN MARCHETEAU		
Director's fees	€15,470.25	€18,375
Other compensation		
XAVIER MORENO		
Director's fees	€23,514.78	€33,075
Other compensation		
EMMANUEL MOUNIER	-	
Director's fees		€16,905
Other compensation	-	
JEAN-JACQUES POUTREL		
Director's fees	€15,470.25	€23,520
Other compensation		
THIBAULT POUTREL		
Director's fees	€22,895.97	€22,050
Other compensation		
THIERRY SEIZILLES DE MAZANCOURT		
Director's fees	€12,376.20	€19,110
Other compensation		
ELIE VANNIER		
Director's fees	€42,079.08	€47,775
Other compensation		
CONSELLIOR		
Director's fees		€22,785
Other compensation		
VINCE TALLENT		
Director's fees	€24,133.59	
Other compensation		
GUILLAUME CERUTTI		
Director's fees	-	-
Other compensation	-	-
WILLIAM NAHUM, INDEPENDENT ADVISOR (CENSEUR)		
Director's fees	€19,183.11	€19,110
TOTAL	**€249,999.24**	**€294,000**

* A total budget of €300,000 for 2009 was approved at the Annual Meeting of Shareholders of May 15, 2009.
** A total budget of €300,000 for 2010 was approved at the Annual Meeting of Shareholders of May 11, 2010.

Pensions, post-employment and other benefits paid to directors and executive officers:

None

Termination benefits obligations

Executive officers	Employment contract	Supplementary retirement plan	Indemnities or benefits due or likely to be due as a result of a termination or change in position	Benefits in connection with a non-compete clause
PHILIPPE LAZARE Chief Executive Officer since July 17, 2007, and Chairman and CEO since January 20, 2010	No	No	Yes*	No
JACQUES STERN Chairman from June 27, 2007 to January 20, 2010	No	No	Yes**	No

* Philippe Lazare was reappointed as member of the Board by the Annual Meeting of Shareholders of May 11, 2010 (5th resolution) and renewed as Chairman and Chief Executive Director by a resolution of the Board of Directors on the same day.

The existing arrangement in the event of the removal of Philippe Lazare, which was resolved by the Board of Directors at its meetings of July 17, 2007, December 12, 2007, January 23 and March 14, 2008 was renewed by resolution of the Board of Directors on March 17, 2010 except the part of the arrangement pertaining to the first 12 months following the initial appointment of Philippe Lazare in 2007, since it is no longer relevant.

In compliance with Article L.225-42.1, of the French Commercial Code, the above arrangement was submitted to the Shareholders for approval (as resolution number 9) and approved by the general assembly meeting dated May 11, 2010.

In the event that Philippe Lazare is removed from office for any reason other than gross negligence, the following arrangement applies:

- Philippe Lazare receives an amount equal to one year's salary, defined as the gross annual salary payable in his capacity as Chief Executive Officer of Ingenico.
- He maintains his entitlement to freely allotted shares for which the vesting period has not expired.

This arrangement is subject to the following performance conditions:

- EBIT has grown in line with revenue growth during his term of office.
- The Company has maintained or increased its market share during his term of office.

** The following arrangement in the event of the removal of Jacques Stern, for any reason other than gross negligence, was established by the Board of Directors at its meetings of July 17, 2007, and December 12, 2007.

- If the removal occurs within 12 months of his appointment, he receives an amount equal to two years' salary, defined as the gross annual salary payable to Jacques Stern in his capacity as the Chairman of the Ingenico Board of Directors (or two times €200,000).
- If the removal occurs more than 12 months after his appointment, one year of this salary.
- He maintains his entitlement to freely allotted shares for which the vesting period has not expired.

At its meeting of January 23, 2008, the Board of Directors resolved, in accordance with the French Act of August 21, 2007, on Work, Employment, and Purchasing Power, to subject deferred benefits and compensation payable to Jacques Stern to the following performance conditions:

- He is assessed to have consistently and effectively performed his duties as Chairman of the Company, both inside the Company (e.g. holding and conducting Board and Committee meetings; compliance with internal control procedures) and outside the Company (e.g. representing the Company in its dealings with public administrations, major customers and key shareholders).
- The Company has maintained or increased its market share during his term in this position.

At its meeting of January 20, 2010, the Board of Directors combined the positions of Chairman and Chief Executive Officer, thereby ending Jacques Stern's term as Chairman.

Extract from the minutes of the meeting of the Board of Directors of January 20, 2010:
"With respect to the benefits to be paid to Jacques Stern as a result of the termination of his position as Chairman, in accordance with Article L. 225-42.1, Paragraph 5, of the French Commercial Code, the Board of the Directors must verify that the performance conditions defined at its meeting of January 23, 2008, and approved by the Shareholders at their meeting of May 15, 2008, have been met.

In the event of removal from his position as Chairman for any reason other than gross negligence, after the first 12 months following his appointment, the arrangement approved by the Board of Directors at its meetings of July 17, 2007, and December 12, 2007, and also by the Shareholders at their meeting of May 15, 2008, is as follows:

• Termination benefit equaling one year of salary, defined as the total gross annual salary payable to Jacques Stern in his capacity as the Chairman of the Ingenico Board of Directors (€200,000).

• Continued entitlement to freely allotted shares for which the vesting period has not expired. The vesting period for the 20,000 free shares granted to Jacques Stern at the Board of Directors meeting of June 25, 2008, and June 24, 2009, has not yet expired.

This arrangement is subject to the fulfillment of the following performance conditions, defined by the Board of Directors on January 23, 2008:

• He has consistently and effectively performed his duties as Chairman of the Company, both inside the Company (e.g. holding and conducting Board and Committee meetings; compliance with internal control procedures) and outside the Company (e.g. representing the Company in its dealings with public administrations, major customers and consumers).

• The Company has maintained or increased its market share during his term in this position.

Furthermore, pursuant to Articles L. 225-42-1, Paragraph 5, and R.225-34-1, Paragraph 2, of the French Commercial Code, no termination benefits may be paid before the Board of Directors has acknowledged that the performance conditions have been met. Additionally, the Board's decision regarding the fulfillment of these performance conditions must be published on the Company's website within five days of the Board meeting and must remain available for viewing there at least until the next Ordinary Meeting of the Shareholders. Any payment that fails to comply with these rules shall be automatically null and void.

The Board then proceeded to examine the conditions in question:

Regarding the assessment of Jacques Stern's consistent and effective performance of his duties as Chairman of the Company inside the Company, the Board made the following observations:

• The Board noted the smooth operation of the Company's governing bodies since 2007, including Board meetings, Committee meetings and Annual Meetings of Shareholders. The Board highlights the frequency of these meetings: the Board met ten times in 2007 and 2008 and nine times in 2009. The four Committees also met frequently, as indicated in the report prepared each year by Jacques Stern in accordance with Article L.225-37 of the French Commercial Code. The Shareholders met twice in 2008 to approve the financial statements and the Sagem transaction.

• The Board noted that during his term as Chairman, a procedure was introduced to evaluate the effective functioning of the Board.

• The Board noted that in a Press Release dated December 17, 2008, the Company indicated that it applies the corporate governance code of listed companies, as published by AFEP and MEDEF in December 2008.

• The Board noted that the Board's composition had been improved with respect to the proportion of independent members, since two independent directors were appointed in March 2008.

• The Board noted that internal control had been reinforced, in particular by adopting the COSO framework.

Regarding the assessment of Jacques Stern's consistent and effective performance of his duties as Chairman of the Company outside the Company, the Board made the following observations:

• On the initiative of Jacques Stern, Ingenico is now a member of AFEP and IFA.

• Jacques Stern organized a conference on "End-to-end Security in an Open and Mobile World," held on June 4, 2009.

Regarding the Company's maintained or increased market share, the Board noted that during Jacques Stern's term as Chairman, Ingenico became the world leader in payment solutions, in particular by acquiring the payment terminals businesses of Sagem Sécurité in March 2008. Ingenico also implemented the strategic plan developed at the end of 2008, which led to the acquisition of a stake in Roam Data, a leader in the mobile payment sector, and, most importantly, the acquisition of the easycash group at the end of 2009.

After discussion and as a result of a vote in which Jacques Stern did not participate, the Board of Directors:

- Resolved that Jacques Stern would cease to receive compensation in his capacity as Chairman of the Board of Directors on this day and that, taking into account the date of expiration of his term, Jacques Stern would receive, for 2010, compensation for the period from January 1 to January 20, 2010.

- Acknowledged that Jacques Stern fulfilled the performance conditions set by the Board of Directors at its meeting of January 23, 2008.

- Consequently, resolved to pay Jacques Stern a termination benefit of €200,000 and to maintain his entitlement to the 20,000 shares that were freely allotted to him by the Board of Directors at its meetings of June 25, 2008, and June 24, 2009."

This decision was published online on the company's website on January 22, 2010.

Loans granted to or guarantees provided on behalf of directors and executive officers

None

Shareholdings, performance shares and stock options of directors and executive officers Shares granted to each director and executive officer

Performance shares authorized by the Shareholders and granted during the year to each director and executive officer by the issuer and any Group company	Plan number and date	Number of shares granted during the year	Value of shares, using the valuation method applied for the consolidated financial statements	Initial grant date	Vesting date	Final grant conditions
Philippe LAZARE	May 11, 2010	46,774	856,900	May 11, 2012	May 11, 2014	*
TOTAL	**-**	**46,774**	**856,900**	**-**	**-**	

The shares granted to Philippe Lazare in 2010 were granted, as authorized by the shareholders at their meeting of March 14, 2008, as part of a co-investment plan combining share subscriptions by certain employees, directors and officers of the Ingenico Group with the award of seven (7) free shares in the Company for each share held, subject to the following final grant conditions:

- The fulfillment of service conditions.
- The fulfillment of specified performance conditions in relation to EBITDA and the Company's share price.

Performance shares authorized by the Shareholders and granted during the year to each director and executive officer by the issuer and any Group company	Plan number and date	Number of shares granted during the year	Value of shares, using the valuation method applied for the consolidated financial statements	Initial grant date	Vesting date	Final grant conditions
Jacques STERN	-	-	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**

Shares vested during the year for each director and executive officer

Performance shares vested for each director and executive officer	Plan number and date	Number of shares granted during the year	Number of shares vested	Initial grant date
Philippe LAZARE	-	-	-	-
TOTAL	-	-	-	-

Pursuant to Article L.225-197-1, II, Paragraph 4, of the French Commercial Code, in the case of shares freely allotted to the Chief Executive Officer, the Board of Directors must either prohibit the Chief Executive Officer from disposing of said shares until the end of his term of office or specify the number of shares that must remain registered in his name until the end of his term of office.

For each allotment of free shares to Philippe Lazare (voted at the Board meetings of July 17, 2007, January 23, 2008, March 11, 2009, June 24, 2009 and, in the case of shares allotted to him as part of the co-investment plan, at the Board meetings of March 30, 2010 and May 11, 2010), the Board of Directors resolved, pursuant to Article L.225-197-1, II, Paragraph 4, of the French Commercial Code, that all free shares allotted to Philippe Lazare must remain registered in his name until the end of his term of office.

In light of current market practice, recommendations by the market authorities and recent market trends, the Board of Directors modified these requirements in the following manner on December 14, 2010. For the entire time until the end of his term of office, Philippe Lazare shall be required to hold and maintain in registered form no less than 15 percent of the total number of shares that have fully vested and for which the final grant date has been reached. Moreover, any share disposals must be carried out in compliance with the applicable stock market regulations and the procedures followed by the Company.

Performance shares vested for each director and executive officer	Plan number and date	Number of shares granted during the year	Number of shares vested	Initial grant date
Jacques STERN	-	-	-	-
TOTAL	-	-	-	-

Pursuant to Article L.225-197-1, II, Paragraph 4, of the French Commercial Code, in the case of shares freely allotted to the Chairman, the Board of Directors must either prohibit the Chairman from disposing of said shares until the end of his term of office or specify the number of shares that must remain registered in his name until the end of his term of office.

For each allotment of free shares to Jacques Stern, the Board of Directors resolved that that all free shares allotted to him must remain registered in his name until the end of his term of office as Chairman.

Stock options of directors and executive officers

Extraordinary Meeting of Shareholders of May 4, 2000	Plan A	Plan B	Plan C	Plan D	Plan E
Date of Board of Directors meeting or decision made by the Chief Executive Officer under a delegation of authority	April 15, 2003	July 25, 2003	April 20, 2004	June 10, 2004	July 8, 2004
Total number of shares available for subscription	858,000	145,000	151,500	110,000	30,000
Total number of shares available for subscription by:					
GÉRARD COMPAIN	100,000	0	0	50,000	0
JEAN-MARIE DESCARPENTRIES	0	120,000	0	0	0
YVES SABOURET	0	0	0	50,000	0
Start date for exercising options	April 15, 2006	July 25, 2006	April 20, 2007	June 10, 2007	July 8, 2007
Expiration date	April 15, 2011	July 25, 2011	April 20, 2012	June 10, 2012	July 8, 2012
Subscription price	€5.37	€8.42	€10.36	€10.99	€13.93
Conditions for exercising options (when the plan involves multiple tranches)	-	-	-	-	-
Number of shares subscribed at December 31, 2010	679,252	145,024	92,349	100,456	0
Aggregate number of subscription options cancelled or expired at December 31, 2010	165,508	0	57,234	10,000	30,000
Outstanding share subscription options at December 31, 2010	16,121	0	2,271	0	0

Extraordinary Meeting of Shareholders of October 18, 2004	Plan F	Plan G	Plan H
Date of Board of Directors meeting or decision made by the Chief Executive Officer under a delegation of authority	December 14, 2004		October 19, 2005
Total number of shares available for subscription	209,500	-	425,000
Total number of shares available for subscription by:			
AMEDEO D'ANGELO	0	0	150,000
DAVID ZNATY	0	0	100,000
Start date for exercising options	December 14, 2007	-	October 19, 2008
Expiration date	December 14, 2012	-	October 19, 2013
Subscription price	€11.07	-	€11.01
Conditions for exercising options (when the plan involves multiple tranches)	-	-	-
Number of shares subscribed at December 31, 2010	77,273	-	326,264
Aggregate number of subscription options cancelled or expired at December 31, 2010	111,063	-	75,074
Outstanding share subscription options at December 31, 2010	23,305	-	33,167

Share subscription or purchase options granted during the year to each executive officer by the Company or any Group company

No share subscription or purchase options were granted during the year to executive officers in office in 2010.

Share subscription or purchase options exercised during the year by each executive officer

No share subscription or purchase options were exercised during the year by executive officers in office in 2009.

Shareholdings of directors and executive officers at December 31, 2010

(out of a total share capital of €51,511,971 and 70,254,746 theoretical voting rights)

	Number of shares	% of shares	Number of DVR	% DVR
Philippe Lazare	229,475	0.450%	231,050	0.330%
Jacques Stern	28,620	0.050%	30,744	0.040%
Allan Green	40,190	0.080%	80,380	0.110%
Jean-Paul Jainsky	1,079	0.002%	2,140	0.003%
Michel Malhouitre	670,779*	1.300%	1,341,558	1.910%
Alain Marcheteau	1,096	0.002%	2,157	0.003%
Xavier Moreno	2,102	0.004%	2,102	0.002%
Emmanuel Mounier	1,010	0.001%	1,010	0.001%
Jean-Jacques Poutrel	294,697	0.570%	553,837	0.790%
Thibault Poutrel	831,519	1.610%	1,663,038	2.370%
Elie Vannier	2,155	0.004%	3,216	0.004%
Thierry Seizilles de Mazancourt	1,060	0.002%	2,120	0.003%
Consellior SAS	10,619	0.020%	21,238	0.030%
NOMBRE TOTAL	**2,114,401**	**4.100%**	**3,934,590**	**5.600%**

* Including 38,627 shares jointly owned with his spouse

Trading restrictions

In 2005, the Board of Directors drew up a document defining its Rules of Procedure and code of business conduct. It incorporates rules of corporate governance upheld by the Board, rules related to the duties and functioning of the Board and its Committees and rules governing the conduct of Board members, for example, when trading in the Company's shares.

The information disclosed to members of the Board Directors in their official capacity is subject to the provisions of Article L.465-1 of the French Monetary and Financial Code and Articles 621-1 to 622-2 of the AMF's General Regulation pertaining to inside information, abstention requirements and insider trading.

In particular, if the Board of Directors receives specific confidential information that may, at the time of its publication, significantly impact the share price of the Company, a subsidiary or an affiliate, the Board members must refrain from using this information by purchasing or selling, either directly or indirectly, on their own behalf or on behalf of a third party, the financial instruments to which this information pertains or financial instruments to which these instruments are related.

They must also refrain from:

- Disclosing this information to another person outside the ordinary scope of their business, profession or duties or for any purpose other than that for which the information was communicated to them.
- Recommending to another person, based on inside information, to purchase or sell or to have another person purchase or sell the financial instruments to which this information pertains or financial instruments to which these instruments are related.

In practice, at the end of each fiscal year, the Board members are provided with a time table for the following year that includes trading blackout periods and reflects the financial information publication dates for the Company.

Transactions entered into by directors and executive officers during the previous year

Declarant	No and date of the AMF decision/ notice	Financial instrument	Type of transaction	Transaction details	Date declaration received	Place of transaction	Unit price	Transaction amount
ELIE VANNIER	No. 210D2075 of April 30, 2010	Shares	Acquisition	April 27, 2010	April 28, 2010	Euronext Paris	€19.365	€19,365
ELIE VANNIER	No. 210D2947 of June 21, 2010	Shares	Other types (Stock dividend payment)	June 14, 2010	June 17, 2010	Euronext Paris	€16.85	€454.95
JACQUES STERN	No. 210D2949 of June 21, 2010	Shares	Other types (Stock dividend payment)	June 15, 2010	June 17, 2010	Euronext Paris	€16.85	€4,566.35
JEAN-JACQUES POUTREL	No. 210D3033 of June 23, 2010	Shares	Other types (Stock dividend payment)	June 15, 2010	June 21, 2010	Euronext Paris	€16.85	€74,814
NATURAL PERSON CONNECTED WITH JEAN-JACQUES POUTREL	No. 210D3034 of June 23, 2010	Shares	Other types (Stock dividend payment)	June 15, 2010	June 21, 2010	Euronext Paris	€16.85	€11,357
THIERRY SEIZILLES DE MAZANCOURT	No. 210D3050 of June 25, 2010	Shares	Other types (Stock dividend payment)	June 15, 2010	June 23, 2010	Euronext Paris	€16.85	€303.30

Other information

Conflicts of interest

As of the date this Registration Document (Document de Référence) was filed, Jacques Stern has a conflict of interest with regard to the agreement signed with Cryptolog International, a supplier of Ingenico, since he and his spouse indirectly own 20.9 percent of said company's share capital. Thibault Poutrel also has a conflict of interest, since he indirectly holds 1.59 percent of said company's share capital.

This agreement is duly referred to in the statutory auditors' special report on related party agreements and commitments.

Service contracts

During the previous fiscal year, no member of the Board of Directors of the Company has entered into a service contract with the Company or companies in the Group that offers benefits upon its termination

STATUTORY AUDITORS' REPORT
ON REGULATED AGREEMENTS AND COMMITMENTS

This is a free translation into English of the Statutory auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In our capacity as statutory auditors of your Company, we hereby present to you our report on the regulated agreements and commitments.

We are not required to ascertain whether any other agreements or commitments exist but to inform you, on the basis of the information provided to us, of the terms and conditions of those of which we were notified. It is not our role to determine whether they are beneficial or appropriate. It is your responsibility, under the terms of article R.225-31 of the French Commercial Code ("Code de commerce"), to evaluate the benefits arising from these agreements and commitments prior to their approval.

We are also required, as applicable, to communicate the information referred to in Article R.225-31 of the French Commercial Code, on the execution, during the year, of agreements and commitments previously approved by the Shareholders.

We performed the procedures we considered necessary in accordance with professional guidance issued by the French Institute of statutory auditors relating to this engagement. Our work consisted in verifying that the information provided to us is in agreement with the underlying documentation from which it was extracted.

Agreements and commitments entered into by the Company in 2010

We inform you that we have not been advised of any agreements entered into in 2010 in respect of article L.225-38 of the French Commercial Code.

Continuing agreements and commitments which were entered into in prior years

In accordance with the French Commercial Code, we have been informed of the following agreements and commitments which were approved during previous years and which were applicable during the year :

1) Arrangement relating to the termination of the appointment of Mr. Jacques Stern

Description

As approved by the Board of Directors on 17 July 2007, 12 December 2007, 23 January 2008, 14 March 2008 and 20 January 2010:
Termination benefit following the termination of his appointment on 20 January 2010.

Terms and conditions

Following the termination of his appointment, occurring more than 12 months after his appointment, the company paid Mr. Jacques Stern the equivalent of one year's salary, i.e. €.200,000, and maintained his entitlement to the free shares for which the vesting period has not expired.

2) Commitments to Mr. Philippe Lazare, Chairman and Chief Executive Officer

Description

As authorized by the Board of Directors on 17 July 2007, 12 December 2007, 23 January 2008 and 14 March 2008:

Termination benefit in the event of the termination of his appointment and applicable performance conditions.

Terms and conditions

In the event of removal for any reason other than gross misconduct,

- Within 12 months of his appointment, the company shall pay him two years' salary, defined as the gross annual salary payable in his capacity as the Chief Executive Officer of Ingenico.
- After 12 months from his appointment, the company shall pay him one year's salary.
- He shall maintain his entitlement to the free shares for which the vesting period has not expired.

Performance conditions:

- Growth of EBIT in line with revenue growth during his term in office.
- Stability or increase of the company's market share during his term in office.
- All terms of the arrangement relating to Mr. Philippe Lazare were renewed at the meeting of the Board of Directors on 17 March 2010, and approved by the Shareholders on 11 May 2010 except the part of the arrangement pertaining to the first 12 months following the initial appointment of Philippe Lazare, since it is no longer relevant.

3) CRYPTOLOG agreement

Description

As approved by the Board of Directors on 20 September 2006:
Agreement with CRYPTOLOG for the supply of its Cryptolog Identity PKI solution in SaaS mode.

Terms and conditions

For this service, an expense of €20,451.60, excluding VAT was recorded during the year.

Paris and Paris La Défense, February 28, 2011
The statutory auditors

SA C.G.E.C.	KPMG Audit IS
Sophie BRULEBOIS	Jean-Pierre VALENSI
Partner	Partner

INFORMATION ON STATUTORY AUDITORS

AUDITORS

Statutory Auditor

KPMG Audit IS S.A.S.
(512 802 653 RCS Nanterre)
Immeuble « Le Palatin »
3, cours du Triangle - 92 939 Paris - La Défense Cedex

Represented by Jean-Pierre Valensi

KPMG Audit IS S.A.S. is a member of the Compagnie Régionale des Commissaires aux Comptes de Versailles (the Versailles Regional Association of Statutory Auditors).

First appointed: *May 11, 2010*

Alternate Auditor

KPMG Audit ID S.A.S.
(512 802 489 RCS Nanterre)
Immeuble « Le Palatin »
3, cours du Triangle - 92 939 Paris - La Défense Cedex

KPMG Audit ID S.A.S. is a member of the Compagnie Régionale des Commissaires aux Comptes de Versailles.

First appointed: *May 11, 2010*

KPMG Audit IS S.A.S. et KPMG Audit ID S.A.S. were appointed at the Annual Meeting of Shareholders of May 11, 2010 (7th resolution) for a term of 6 years, expiring at the close of the Annual Meeting of Shareholders called to approve the financial statements for the year ending December 31, 2015, to be held in 2016.

Statutory Auditor

Conseil Gestion Expertise Comptable
(722 016 706 RCS Paris)
111-113, rue de Reuilly - 75012 Paris

Represented by Ms. Sophie BRULEBOIS

C.G.E.C. is a member of the Compagnie Régionale des Commissaires aux Comptes de Paris (the Paris Regional Association of Statutory Auditors).

First appointed: *June 9, 1989*

Term renewed : *May 11, 2010*

Alternate Auditor

M. Daniel BOULAY
111-113, rue de Reuilly - 75012 Paris

Mr. Daniel Boulay is a member of the Compagnie Régionale des Commissaires aux Comptes de Paris.

First appointed: *June 9, 1989*

Term renewed : *May 11, 2010*

The terms of C.G.E.C. and Mr. Daniel BOULAY were renewed at the Annual Meeting of Shareholders of May 11, 2010 for a term of 6 years, expiring at the close of the Annual Meeting of Shareholders called to approve the financial statements for the year ending December 31, 2015, to be held in 2016.

REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS
ON THE BOARD'S COMPOSITION, HOW IT PREPARES AND ORGANIZES ITS WORK AND ITS INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

In accordance with Article L.225-37 of the French Commercial Code, the Chairman of the Board of Directors presents you with his report for 2010 on the composition of the Board, its application of the principle of the equal representation of men and women, how it prepares and organizes its work and the internal control and risk management procedures implemented in the Company.

For the purposes of this report, the term "Company" refers to INGENICO and the term "Group" refers to the Company and the legal entities ("subsidiaries") whose financial and business policies the Company is in a position to control, which usually means in practice that it holds at least half of all voting rights. This report was presented to the Board of Directors for approval on February 25, 2011, and transmitted to the statutory auditors.

I. COMPOSITION OF THE BOARD OF DIRECTORS AND HOW IT PREPARES AND ORGANIZES ITS WORK

1.1 Rules of Procedure, code of business conduct and corporate governance code

The Board of Directors decided to consolidate, clarify and supplement the rules governing its organization and operation, which it is required by law to apply, and the Company's Rules of Procedure and Articles of Association, as well as provide supplementary information regarding the code of business conduct applicable to all of its members.

Accordingly, in 2005, the Board of Directors drew up a document defining its Rules of Procedure and code of business conduct. This document incorporates the rules of corporate governance upheld by the Board, rules related to the duties and functioning of the Board and its Committees and rules governing the conduct of Board members, for example, when trading in the Company's shares.

In addition, on December 17, 2008, the Board of Directors of the Company reviewed the AFEP-MEDEF recommendations issued on October 6, 2008 on the compensation of executive officers of listed companies.

The Board deems that these recommendations are in line with the Company's corporate governance practices and will implement them.

Consequently, in compliance with the Act of July 3, 2008, transposing EU directive 2006/46/EC dated June 14, 2006 into French law, the Corporate Governance Code of Listed Companies, as published by AFEP and MEDEF in December 2008 updated in April 2010, is the code referred to by the Company in this report.

The Company issued a press release stating this fact on December 19, 2008.

This Code can be viewed on the following website: www.code-afep-medef.com.

The Company nevertheless diverges from the recommendations in the Code on three points, described and explained in paragraphs 1.2.2, 1.2.3 and 1.4.

1.2 Composition of the Board of Directors

1.2.1 Members of the Board of Directors

The Company is administered by a Board of Directors consisting of 3 to 13 members, as specified in Article 12 of the Articles of Association.

Proposed appointments to the Board of Directors are subject to prior examination by the Compensation and Appointments Committee and the Corporate Governance and Ethics Committee.

At December 31, 2010, the composition of the Board of Directors was as follows:

Nom	Age	Position	First appointed on / Re-appointed on	Term ending at the close of the Annual Meeting to approve the financial statements for
PHILIPPE LAZARE	54	Chairman and CEO and Director*	March 15, 2006 / May 11, 2010	2015
ALLAN GREEN	49	Director	October 18, 2004 / May 11, 2010	2015
JEAN-PAUL JAINSKY	60	Director	March 14, 2008	2013
MICHEL MALHOUITRE	62	Director	Feb. 15, 1980 / May 10, 2007	2012
ALAIN MARCHETEAU	66	Director	March 14, 2008	2013
XAVIER MORENO	62	Director	March 14, 2008	2013
EMMANUEL MOUNIER	37	Director	March 11, 2009	2013
JEAN-JACQUES POUTREL	76	Director	April 19 2005	2010
THIBAULT POUTREL	33	Director	Feb. 6, 2002 / May 5, 2006	2011
THIERRY SEIZILLES DE MAZANCOURT	52	Director	March 14, 2008	2013
JACQUES STERN	61	Director	April 19, 2005	2010
ELIE VANNIER	61	Director	March 14, 2008	2013
CONSELLIOR SAS	-	Director	October 31, 2006	2010

* Philippe Lazare's position as Chief Executive Officer ceases at the end of his term of office.

The positions of Chairman and Chief Executive Officer, separated since 2004, were combined by the Board of Directors at its meeting of January 20, 2010. Since that date, Philippe Lazare is the Company's Chairman and Chief Executive Officer. This change aims to help the company simplify its decision-making processes and raise operational efficiency. Following the combination of these positions, Jacques Stern continues to serve the company as a Director.

The business address of the Board members is the address of the Company.

All Board members have the French citizenship.

The list of offices and positions held in any company by each Board member during the year is provided in the Management Report, in compliance with Article L. 225-102-1 of the French Commercial Code.

1.2.2 Independent directors

According to the AFEP/MEDEF Corporate Governance Code for Listed Companies, in companies with controlling shareholders, at least one third of the Board members should be independent and, in the other companies, at least half.

As specified in its Rules of Procedure, the Board of Directors aims to have at least three members who qualify as independent using the criteria in the reference Code.

To be considered independent, a director must:

- Not be an employee, director or officer of the Company, the parent company or one of its consolidated affiliates, either currently or within the past five years.
- Not be a director or officer in a company in which the Company holds, directly or indirectly, a directorship or in which an employee designated as such or a director of the Company (either currently or within the past five years) holds a directorship.
- Not be a customer, supplier, investment banker or commercial banker:
  - of significance in the Company or the Group
  - for which the Company or the Group accounts for a significant share of the business.
- Not be a close family member of a director or officer.
- Not have been an auditor of the Company in the past five years.
- Not have been a director of the Company for more than 12 years.

Directors representing significant shareholders in the Company may be considered independent, provided that they do not participate in the control of the Company. When the shareholding exceeds 10 percent of the capital or voting rights, the Board of Directors should systematically review whether the director still qualifies as independent, taking into consideration the Company's ownership structure and the existence of a potential conflict of interest.

To date, however, according to the Board's view after conferring with the Corporate Governance and Ethics Committee meeting of February 22, 2010, the Board has only two members who meet these independence criteria, namely, Mr. Elie Vannier and Mr. Xavier Moreno.

On this point, therefore, the Company does not conform to the provisions of its Code of reference or to its Rules of Procedure.

This situation is largely attributable to circumstances related to transactions affecting the Company's capital and its current capital structure.

In 2008, the arrival of a new shareholder, Sagem Sécurité, now called Morpho, changed the Company's shareholding environment. Seats on the Board of Directors were therefore set aside for this new shareholder.

It is also important that the seats that were up for renewal at the Annual Meeting of Shareholders on May 11, 2010, were those of the Chief Executive Officer and a current major shareholder.

As a result, the Company is unable to follow similar recommendations pertaining to the composition of the Audit Committee and the Compensation and Appointments Committee.

The following points should, however, be noted.

- The Compensation and Appointments Committee is chaired by Xavier Moreno, an independent Board member, and Elie Vannier, the second independent director, is also a member of this Committee.

- The Audit Committee is chaired by Elie Vannier, an independent director, who also has particular financial or accounting expertise, as stipulated by French Order No. 2008-1278 of December 8, 2008, having served as Chief Financial Officer for the company GrandVision.

- The Strategy Committee and the Corporate Governance and Ethics Committee each include one independent director, which illustrates the significant role that these directors are expected to play.

1.2.3 Representation of men and women on the Board of Directors

At December 31, 2010, the Board of Directors did not have any women members..

However, in order to abide by its statutory obligations and by the recommendations in the AFEP-MEDEF Code, the Board will be proposing the appointment of a female Board member for approval at the next shareholders' meeting. This will bring the Company into line with the relevant Code recommandations.

1.2.4 Censeurs

The Board of Directors may include one or more independent advisors known as censeurs, appointed at the request of the Chairman. Their role is to advise the Board of Directors on company policy and direction, based on their experience or particular qualifications. Censeurs may only take part in the proceedings of the Board of Directors in an advisory capacity.

The Board therefore closely scrutinizes all appointment recommendations to ensure that the candidate possesses the skills and the expertise required to assist the Board of Directors.

At the present date, the Board of Directors includes one censeur, Mr. William Nahum, appointed on March 15, 2006 for a 6-year term, in compliance with the Rules of Procedure.

1.3 Appointment of directors

Directors are appointed or re-appointed to office by the shareholders at their Annual Meeting. They become eligible for re-appointment at the end of their term of office.

1.4 Term of office

The term of office of a director is six years; it expires at the close of the Annual Meeting of Shareholders called to approve the financial statements for the preceding year and held during the year in which the term of office expires.

The AFEP-MEDEF Corporate Governance Code for Listed Companies of December 2008 recommends that directors' terms of office not exceed four years, mainly to ensure that the shareholders are able to express themselves, through elections, with sufficient frequency.

For reasons related to its shareholding and the current composition of its Board of Directors, the Company does not consider it to be the appropriate time to propose an amendment to the Articles of Association on this point. At any rate, the Company believes that the current terms of its directors are not an obstacle to the smooth running of administrative bodies or the staggered renewal of the terms of office of its members.

The seniority of the current Board members, dating from their first appointment, averages 6.6 years.

1.5 Age limit

The number of Directors (individuals or representatives of legal entities) more than 75 years of age may not exceed one third, rounded to the next higher number, of directors in office on the date of the Annual Meeting called to approve the annual financial statements. When this recommended proportion has been exceeded, the oldest director, except for the Chairman, shall be considered to have resigned.

The average age of current Board members is 56.

1.6 Shares held by directors

In addition to the ten (10) shares specified in Article 12 of the Articles of Association, each Director agrees to hold one thousand (1,000) shares as of the beginning of his or her term of office.

In accordance with the Board's Rules of Procedure, each censeur shall pledge to hold five hundred (500) shares as of the beginning of his or her term of office.

Also in accordance with the Rules of Procedure, each censeur shall pledge to hold five hundred (500) shares as of the beginning of his or her term of office.

These shares must be registered shares that are fully paid up. This provision does not apply to employee shareholders who are appointed to the Board of Directors in accordance with Article L.225-23 of the French Commercial Code.

Based on a share capital of €51,511,971 divided into 51,511,971 shares representing 70,254,746 theoretical voting rights, at December 31, 2010, the Directors had the following direct shareholdings:

	Number of shares	% of shares	Number of DVR	% DVR
Philippe Lazare	229,475	0.45%	231,050	0.33%
Jacques Stern	28,620	0.05%	30,744	0.04%
Allan Green	40,190	0.080%	80,380	0.11%
Jean-Paul Jainsky	1,079	0.002%	2,140	0.003%
Michel Malhouitre	670,779*	1.30%	1,341,558	1.91%
Alain Marcheteau	1,096	0.002%	2,157	0.003%
Xavier Moreno	2,102	0.004%	2,102	0.002%
Emmanuel Mounier	1,010	0.001%	1,010	0.001%
Jean-Jacques Poutrel	294,697	0.57%	553,837	0.79%
Thibault Poutrel	831,519	1.61%	1,663,038	2.37%
Elie Vannier	2,155	0.004%	3,216	0.004%
Thierry Seizilles de Mazancourt	1,060	0.002%	2,120	0.003%
Consellior SAS	10,619	0.020%	21,238	0.03%
NOMBRE TOTAL	**2,114,401**	**4.100%**	**3,934,590**	**5.600%**

* Including 38,627 shares jointly owned with his spouse.

1.7 Functioning of the Board of Directors

1.7.1 Chairman

In accordance with Article 13 of the Articles of Association, the Board of Directors elects a Chairman from among its members. The Chairman must be an individual; otherwise, the appointment will be null and void.

The Chairman of the Board of Directors organizes and conducts the Board's work and reports on it at the Annual Meeting of Shareholders. He ensures that the Company's various bodies are functioning properly and, in particular, that the Directors are in a position to perform their duties.

The Chairman's term of office automatically expires at the first Annual Meeting of Shareholders held during the year in which the Chairman reaches the age of 75.

1.7.2 Board meetings

The Board of Directors meets as often as required to serve the Company's interests, and at least once each quarter.

During the year ended December 31, 2010, the Board of Directors convened thirteen times.

1.7.3 Notices of meeting

Meetings may be called, using any means, by the Chairman or on the Chairman's behalf by any person designated by him, or alternatively at the request of half of the members of the Board.

Every notice of meeting is accompanied by the meeting's agenda.

During the year ended December 31, 2010, notices of meeting and the accompanying documentation were sent, on average, eight days before the scheduled meeting date.

The attendance rate of Board members, including members participating via telecommunications, in the year ended December 31, 2010 was 93 percent.

At the start of each calendar year, the Board draws up a schedule of meetings for that year, based on the Chairman's proposals, and indicates the topics to be discussed.

The following persons are called to Board meetings:

- The members of the Board of Directors.
- The censeur.
- Two Works Council members chosen to represent the Council: one must be an employee in the technician and supervisor category, and the other in the clerical and manual staff category. These representatives participate in Board meetings in a consultative capacity.
- The statutory auditors, but only if the meeting is called to examine or approve annual or interim financial statements (such as half-yearly statements) or for any other purpose that requires their presence.

Members of the Executive Committee, in particular, the Chief Financial Officer, are regularly requested to take part in meetings when the agenda warrants it.

1.7.4 Functioning of the Board of Directors

The Chairman makes sure that the Board of Directors functions properly and that the Board members are able to fulfill their mandate, particularly that they have all the necessary information to do so.

The Chairman presents the Board members and statutory auditors with the draft regulated agreements referred to in Articles L.225-38 et seq. of the French Commercial Code. He also informs the statutory auditors of any regulated agreement that has been approved by the Board of Directors and must be approved by the Shareholders at their Annual Meeting.

At least once each quarter, the Chief Executive Officer submits a report to the Board of Directors that includes the key figures for the main companies in the Group, most notably sales, profit and performance in relation to forecasts.

The Chief Executive Officer regularly informs the Board of Directors of significant events and transactions related to the Company's strategy.

For each Board meeting, the Chief Executive Officer provides, as a minimum, documents on the following:

- Net debt, the status of any credit lines open to the Company and the Group's main subsidiaries and the Group's cash position.
- Gross payroll (excluding payroll taxes).
- Gross inventory (including gross margin).
- Revenue.

Once each half-year period, the Board of Directors examines the statement of the Group's off-balance sheet commitments presented by the Chief Financial Officer.

The Chief Executive Officer also keeps the Board of Directors informed of any decision involving internal reorganization and any asset acquisition or disposal plans.

Furthermore, any accounting principles used that have a material impact on how the Group's financial statements are presented are formally validated by the Chief Executive Officer, reviewed by the Audit Committee in the presence of the statutory auditors and, if necessary, brought to the Board's attention at the discretion of the Audit Committee.

At all closing dates for published financial statements, the Chief Executive Officer and financial management explain the main accounting options and justify the choices ultimately made to the Audit Committee in the presence of the statutory auditors. The matter may be brought to the Board's attention at the discretion of the Audit Committee.

1.7.5 Information provided to the Board of Directors

The ongoing provision of timely information to the members of the Board of Directors is a vital prerequisite for the fulfillment of their mandate.

At any time during the year, the Board of Directors may conduct any verifications and controls it deems appropriate. To this end, any Board member may ask to be supplied with the documents needed to fulfill his or her mandate by submitting a request to the Chairman of the Board.

Insofar as it is possible, the Board members are informed no later than eight days prior to the date of the next Board meeting of all points to be discussed at that meeting, and they are supplied, within the same time limit, with any materials they may need to examine and understand the points on the agenda, so that they may properly fulfill their mandate. This obligation to provide adequate, relevant, exhaustive information is the responsibility of the Chairman of the Board and the Chief Executive Officer.

Prior to the meeting, each Board member is given a file containing the documents pertaining to the main points on the agenda.

Similarly, the Board members must make sure that they have all the information they need to fulfill their mandate. It is their duty to request any further information they may require.

1.7.6 Representation of Board members

Board members have the option of authorizing another Board member in writing (for example, by mail, fax or telegram) to represent them at a Board meeting. No single Board member may have more than one proxy at a given Board meeting.

This option was used nine times during the year ended December 31, 2010.

1.7.7 Videoconferencing and telecommunications

As stated in the Company's Articles of Association, the Board may include in its Rules of Procedure the provision that Directors shall be considered present, for calculating quorum and majority, if they take part in Board meetings via videoconferencing or other telecommunications systems allowing them to be identified and guaranteeing their effective participation, the characteristics of which are set forth by a decree of the French Conseil d'Etat, except when the Board meets for the matters referred to in Articles L. 232-1 and L. 233-16 of the French Commercial Code.

In 2006, the Board's Rules of Procedure were adjusted with respect to this point, and in the course of 2010, the systems referred to above were used at seven meetings of the Board of Directors.

1.7.8 Decision-making

Decisions by the Board of Directors require a simple majority of those members present or represented, with the following exceptions as provided for in the Board's Rules of Procedure:

(a) Decisions requiring a qualified majority in accordance with a delegation of powers voted by the shareholders.

(b) Decisions pertaining to the following matters (decisions of prior approval given to the Chief Executive Officer and/or to the Deputy Chief Executive(s) or any other decision by the Board on said matters):

1. Any financial transaction liable to have a material effect on the strategy and scope of the Ingenico Group and involving an amount in excess of €50 million.

2. Any financial transaction involving an amount in excess of €100 million.

3. Any capital increase or series of capital increases liable to modify by more than 10 percent the total share capital and/or voting rights in Ingenico during a period of less than twelve consecutive months, and not entailing pre-emptive subscription rights for existing shareholders.

4. Any capital increase or series of capital increases liable to modify by more than 20 percent the total share capital and/or voting rights in Ingenico during a period of less than twelve consecutive months, and with the pre-emptive subscription rights of existing shareholders maintained.

c) Decisions pertaining to the following matters:

1. The reappointment, appointment or removal from office of the Chairman of the Board and/or the Chief Executive Officer of Ingenico.

2. Any change in the Board's Rules of Procedure liable to alter the qualified majority requirements and/or the list of matters requiring a decision by qualified majority.

3. Any draft resolution submitted by the Ingenico Board of Directors for approval by the shareholders that is liable to alter the qualified majority requirements for decisions by the Ingenico Board of Directors and/or the list of matters requiring the Ingenico Board of Directors to reach a decision by qualified majority.

The decisions referred to in points b) and c) must be made by a qualified majority equal to a whole number of votes greater than two thirds of the total number of all Board members present or represented at the meeting (with each Board member entitled to one vote).

In the event that a proposal to re-appoint or appoint the Chairman of the Board and/or the Chief Executive Officer is voted down, a new candidate must be proposed to the Board within five business days following said vote. In such a case, by exception to the preceding paragraph, the decision may be made by a simple majority of all Board members present or represented at the meeting.

The Chairman shall hold the casting vote in the event of a tie.

1.7.9 Proceedings

The proceedings of Board meetings shall not be considered valid unless at least half of all standing Board members, and no less than two Board members, are present.

The minutes of the proceedings at every Board meeting are recorded in a special minutes book, signed by the Chairman and at least one other Board member.

The extracts or copies of these minutes shall be certified valid by the Chairman of the Board, the Chief Executive Officer, the Deputy Chief Executive Officers or the Board member serving as acting Chairman.

1.8 Mandate of the Board of Directors and the committees

1.8.1 The mandate of the Board of Directors

In the framework of its legal prerogatives, the Board of Directors has the following responsibilities:

- To determine the Company's strategic policies and ensure that they are implemented.
- To concern itself with all issues related to the proper functioning of the Company and settle them through its proceedings.
- To examine all acts by which the various Group entities benefit from funding and guarantee instruments.
- To study all internal or external transactions likely to have a material impact on profits or to alter the balance sheet structure substantially.
- To carry out any controls and verifications it may deem appropriate.

Commitments by the Company to provide guarantee instruments may only be authorized by the Chief Executive Officer with the prior approval of the Board of Directors. In practice, each year, the Board of Directors sets a global amount and an amount per commitment, below which its prior approval is not required.

The Board of Directors approves, following the procedure described in Article L.225-38 of the French Commercial Code, the agreements between the Company and any of its executive officers, directors or shareholders with over 10 percent of the voting rights in the Company, as well as any commitment made for the benefit of the Chairman or the Chief Executive Officer in the form of compensation or benefits payable awarded upon termination of their mandate or subsequently thereto.

It also makes the decisions described in section 1.7.8.

1.8.3 Committees

The Board of Directors has set up special-focus committees to help it function more effectively and facilitate its decision-making.

The committees are composed mainly of Directors, whether individuals or permanent representatives of legal entities, appointed by the Board.

However, the committees may also include one or more censeurs (independent advisors), as well as one or more outside members selected for their particular skills.

All committee members are required to serve in a personal capacity; no alternates or proxies are permitted.

The Chairman of the Board of Directors attends all committee meetings.

Each committee reports on its work, via its Chairman, at the next meeting of the Board of Directors.

Minutes of each committee meeting are taken by the secretary of the Board of Directors, presented to the Committee members for approval at the next meeting and shared with the Chairman of the Board of Directors. A register recording the proceedings of each committee is kept at the Company's registered office.

Each committee issues proposals, recommendations and opinions, as appropriate, in its area of specialization as described below. A committee has the authority to perform, or to have performed, any study that may facilitate the decision-making of the Board of Directors. It may also question Group employees as needed, strictly for the purpose of carrying out the checks and verifications it is required to perform.

• **The Strategy Committee**

At December 31, 2010, the Committee had eight members, including the Chairman, all appointed by the Board of Directors: Allan Green, Chairman, Jean-Paul Jainsky, Michel Malhouitre, Xavier Moreno, Emmanuel Mounier, Jean-Jacques Poutrel, Thibault Poutrel and Jacques Stern.

The Strategy Committee has been given the following mandate:

- To examine investment projects and plans for expanding existing operations in France or abroad, as well as any possible asset acquisition or disposal plan, so that the Board of Directors may give the necessary approval.

- To monitor previous investments periodically and to carry out all appropriate research and assignments.

- To examine all proposals by financial investors or industrial firms to acquire a stake in the Company, particularly through merger and acquisition operations.

To fulfill this mandate, the Strategy Committee may act in conjunction with the Chairman or Chief Executive Officer to enlist the cooperation of Group functional and operational directors.

The Committee may also make use of outside consultants and experts, subject to the approval of the Board of Directors.

The Committee periodically informs the Board of Directors of its work, research and recommendations. It is up to the Board to determine what use should be made of such information.

Each year, the Committee holds at least two meetings called by its Chairman, who also has the option of calling further meetings as required.

The Strategy Committee convened nine times during the year ended December 31, 2010. During the year, in particular, it examined the projects to acquire Korvac in Singapore, FDI in Spain and Payzone in France, the proposal to acquire a larger stake of Fixed & Mobile Pte in Singapore, and the financing arrangements for these deals. The Committee's input was also very important regarding the offer for the Company's share capital in the second half of 2010.

The attendance rate of Committee members during the year ended December 31, 2010 was 87 percent.

• **Audit and Finance Committee**

The Company has not expressly stated that it implements the Poupart-Lafarge report on Audit Committees of July 22, 2010. In practice, however, the Company applies the recommendations made in the report.

The Company's Rules of Procedure specify that the Audit and Finance Committee must have no less than three and no more than seven members, including a chairman, who must be an independent director. The members, including the chairman, must have financial and accounting expertise and are appointed by the Board of Directors.

At December 31, 2010, the Committee had five members, including the Chairman, all appointed by the Board of Directors: Elie Vannier, Chairman, Guillaume Cerutti, Alain Marcheteau, William Nahum and Thibault Poutrel.

The Chairman, Elie Vannier, is an independent Director. His experience and expertise, especially in finance, are described in the management report and in paragraph 1.2.2 hereinabove.

The other Committee members also have financial and accounting competencies, gained in particular through their work experience, as mentioned in the management report.

The mandate of the Finance and Audit Committee is to assist the Board in continually monitoring the way in which the Company is run, in compliance with legislation and with the Company's Articles of Association. The Committee is also responsible for alerting the Board to any irregularities or anomalies it may detect in the Company's financial statements or internal control and risk management procedures.

It is responsible for monitoring and giving its opinion to the Board of Directors on the following topics:

- The audit of financial statements by the statutory auditors.

- The reporting and content of annual and half-year results.

- The process of preparing financial information.

- Significant financial transactions (debt, shareholders' equity, quasi-equity, etc.) proposed by the Company.

- The effectiveness of internal control and risk management systems.

- The independence of the statutory auditors.

The Committee may benefit from the assistance or participation of all departments in the Company or its subsidiaries. To carry out its duties, it may, with the approval of the Board of Directors, seek any outside advice or expertise that it deems necessary.

For certain issues, such as accounting treatment or the financial aspects of major transactions, the input of another Committee is required. In this case, the Audit and Finance Committee may ask the Chairmen of the relevant Committees to collaborate, under the terms that they define with the approval of the Chairman of the Board of Directors.

During the preceding year, in addition to the parent company and consolidated financial statements for 2009 and the financial statements for the first half of 2010, the Committee examined the 2010 budget, the renewal procedure for the appointment of the statutory auditors, the internal audit assessment for 2009 and program for 2010, financing strategy, interest rate and foreign exchange risk hedging and various tax-related issues.

Each year, the Audit and Finance Committee holds at least three meetings called by its Chairman, who also has the option of calling further meetings as required.

The Audit Committee convened nine times during the year ended December 31, 2010.

The attendance rate of Committee members during the year ended December 31, 2010 was 91 percent.

- **The Compensation and Appointments Committee**

At December 31, 2010, the Committee had six members, including the Chairman, all appointed by the Board of Directors: Xavier Moreno, Chairman, Allan Green, Jean-Jacques Poutrel, Michel Malhouitre, Thierry Seizilles de Mazancourt and Elie Vannier.

The Compensation and Appointments Committee makes recommendations to the Board of Directors on compensation of executive officers as well as on free share awards and stock options granted to Group employees and executive officers, and on employee shareholding policy in general.

It also makes recommendations on appointments to the Group's executive and supervisory bodies and on appointments of directors or censeurs to the Board of Directors.

The Committee periodically informs the Board of Directors of its work, research and recommendations. It is up to the Board to determine what use should be made of such information.

Each year, the Compensation and Appointments Committee holds at least two meetings called by its Chairman, who also has the option of calling further meetings as required.

The Compensation and Appointments Committee convened twice during the year ended December 31, 2010 and also met once using electronic communications technology.

In particular, it examined the following issues:

- The combination of the functions of Chief Executive Officer and Chairman.

- Variable compensation paid to the Chairman and the Chief Executive Officer for 2009 and the criteria governing the Chairman and Chief Executive Officer's variable compensation for 2010, as well as the renewal of his termination benefit, in connection with the renewal of his term of office.

- The allocation of director's fees for 2009 and the aggregate amount of these fees for 2010.

- The employee shareholding plan.

- The co-investment plan.

- A free share allocation plan.

The attendance rate of Committee members during the year ended December 31, 2010, was 100 percent.

- **The Corporate Governance and Ethics Committee**

At December 31, 2010, the Committee had three members, including the Chairman, all appointed by the Board of Directors: William Nahum, Chairman, Alain Marcheteau and Emmanuel Mounier.

The Board of Directors also appointed Elie Vannier to this Committee on January 18, 2011.

Its mandate is to examine all issues related to corporate governance and ethics inside the Group.

The Committee periodically informs the Board of Directors of its work, research and recommendations. It is up to the Board to determine what use should be made of such information.

In accordance with the Rules of Procedure, each year, the Committee holds at least three meetings called by its Chairman, who also has the option of calling further meetings as required.

The Corporate Governance and Ethics Committee convened twice during the year ended December 31, 2010. The attendance rate of Committee members during the year was 67 percent.

More specifically, the Committee assessed the work of the Board of Directors in 2009 using a questionnaire and presented its findings to the Board on March 17, 2010. The Board noted certain suggestions for improvement, in particular regarding the number of independent Directors.

The Committee also examined the AMF guide of November 3, 2010, on preventing insider misconduct and compared it against the measures being taken in the Company. It considered the recommendation published by AFEP-MEDEF in April 2010 on the balanced representation of men and women on corporate boards.

The Committee performed an assessment of the functioning of the Board of Directors for the year 2010 at its meeting of February 22, 2011, and reported its conclusions at the Board meeting of February 25, 2011.

• **The Operations Committee**

At December 31, 2010, the Committee had three members, including the Chairman, all appointed by the Board of Directors: Jean-Paul Jainsky, Chairman, Allan Green and Thibault Poutrel.

The mandate of this Committee is to monitor the implementation and evolution of major ongoing operations.

The Operations Committee convened five times during the year ended December 31, 2010. In particular, it examined the current state of synergy and integration within the Group.

1.9 Work of the Board of Directors during the year ended December 31, 2010

In addition to reviewing the special-focus work prepared by the Committees, as described above, during its meetings of the year ended December 31, 2010, the Board of Directors also examined:

- The approval of the parent company and consolidated financial statements for the year ended December 31, 2009, and the appropriation of net profit or loss.

- Preparing the Annual Combined Ordinary and Extraordinary Meeting of Shareholders: The Board of Directors drafted the resolutions to be submitted to the Combined Ordinary and Extraordinary Meeting of Shareholders on May 11, 2010, in addition to the Management Report and the Chairman's report on the Board's composition, how it prepares and organizes its work and the Company's internal control and risk management procedures.

- The combination of the functions of Chairman and Chief Executive Officer and the renewal of the appointment of the Chairman and Chief Executive Officer.

- The Regulated Agreements referred to in Article L.225-38 of the French Commercial Code: these agreements are discussed in detail in the Statutory Auditors' Special Report.

- Measures to encourage employee share ownership through the employee shareholding plan, a free share allocation plan and a co-investment plan.

- Capital increases in connection with the payment of a stock dividend, with transactions reserved for employees and the free allocation of shares through the capitalization of reserves and a reduction in capital due to the cancellation of Treasury shares.

- The transfer of the assets and liabilities of Ingenico France (formerly Sagem Monétel), through a mechanism known as transmission universelle de patrimoine, and the acquisition of Payzone, Korvac and FDI.

- The offer to acquire the Company's share capital, received in the second half of 2010.

Lastly, the Board approved the implementation of a share buyback program, thus making use of the powers granted to it by the shareholders at their meeting of May 11, 2010.

II. LIMITS PLACED BY THE BOARD OF DIRECTORS ON THE POWERS OF THE CHIEF EXECUTIVE OFFICER

The limits placed by the Board of Directors on the powers of the Chief Executive Officer are described in Article 2 of the Board's Rules of Procedure and are reviewed below.

The consent of the Board of Directors is required before the Chief Executive Officer may appoint any person to act as a permanent representative of the Company or of companies that it controls directly or indirectly, as defined in Article L. 233-3 of the French Commercial Code, to the Board of Directors or the Supervisory Board of any company that is not directly or indirectly controlled by the Company. The Board of Directors shall base its decision on any proposals or opinions issued by the Compensation and Appointments Committee.

The prior consent of the Board is also required for the following:

(1) Setting the consolidated budget for the year.

(2) Setting the consolidated business plan.

(3) Any investment, divestiture, acquisition of equity interests or assets, contribution or disposal of assets, merger, demerger or partial contribution of assets in an amount exceeding €25 million.

(4) Any application for a loan exceeding €35 million or any issuance of bonded debt or other long-term liabilities exceeding €35 million.

(5) Any transaction liable to have a material effect on the strategy and scope of the Ingenico Group and involving an amount in excess of €50 million.

(6) Any transaction involving an amount of over €100 million.

(7) Any capital increase or series of capital increases liable to modify the total share capital and/or voting rights in Ingenico by more than 10 percent within a period of less than 12 consecutive months, which does not maintain preemptive rights for existing shareholders.

(8) Any capital increase or series of capital increases liable to modify the total share capital and/or voting rights in Ingenico by more than 20 percent within a period of less than 12 consecutive months, regardless of whether it maintains preemptive rights for existing shareholders.

III. SHAREHOLDER PARTICIPATION IN SHAREHOLDERS' MEETINGS

The rules governing attendance at and participation in shareholders' meetings are set forth in Article 19 of the Articles of Association and described in the Legal and Financial Information section of the Registration Document for 2010.

IV. PRINCIPLES AND RULES ADOPTED BY THE BOARD TO DETERMINE THE COMPENSATION AND BENEFITS OF DIRECTORS AND EXECUTIVE OFFICERS/INFORMATION THAT MAY POTENTIALLY IMPACT PUBLIC OFFERINGS

4.1 Principles and rules adopted by the Board of Directors to determine the compensation and benefits of directors and executive officers

4.1.1 Compensation of members of the Board of Directors

Since 2009, director's fees are allocated based on a system that favors independent board members and the Committee Chairs and takes into account attendance at Committee as well as Board meetings.

4.1.2 Compensation of the Chief Executive Officer

The Board of Directors determined Philippe Lazare's fixed compensation with reference to the compensation paid by companies whose business is identical or similar to that of Ingenico.

- Philippe Lazare's target variable compensation for 2010 was set by the Board of Directors on March 17, 2010. According to the criteria defined by the Board of Directors on May 11, 2010, 70 percent of this compensation (€350,000) is based on performance, and can attain 150 percent (e.g. €525,000) if certain results are achieved. The remaining 30 percent

(€150,000) is based on qualitative assessment. Using these criteria, on February 25, 2011, the Board of Directors resolved that Philippe Lazare would receive the amount of €575,520 as variable compensation for 2010.

- Philippe Lazare receives the following benefits in kind: the use of a company vehicle and unemployment insurance for directors and officers.

- Philippe Lazare was freely allotted 46,774 shares by the Board of Directors on May 11, 2010, as authorized by the Shareholders at their meeting on March 14, 2008, as part of a co-investment plan combining share subscriptions investments by certain employees, directors and executive officers of the Ingenico Group with the award of seven (7) free shares in the Company for every share held. The following final grant conditions apply:

  - The fulfillment of service conditions.

  - The fulfillment of specified performance conditions in relation to EBITDA and the Company's share price.

Philippe Lazare does not hold any stock subscription or purchase options.

- Philippe Lazare is also entitled to a termination benefit. The terms and conditions of the benefit are described in the Corporate Governance section of this Registration Document.

In accordance with applicable regulations, all compensation due/paid to executive officers is described in the Corporate Governance section of this Registration Document and the Management Report.

4.2 Information with a potential impact on takeover bids

Any information with a potential impact on public offerings is described in the Management Report, in accordance with Article L.225.100-3 of the French Commercial Code.

V. INTERNAL CONTROL AND RISK MANAGEMENT

The Company uses the international internal control framework developed by COSO (Committee Of Sponsoring Organizations of the Treadway Commission, published in the U.S. in 1992) and applied the framework's general principles in organizing the description of its internal control system for this report.

5.1 Definition and objectives of internal control

The Company supports the definition of internal control proposed by COSO:

Internal control is a process, implemented by an entity's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations
- Reliability of financial information
- Compliance with applicable laws and regulations.

The internal control system implemented in the Company, as well-designed and well-applied as it may be, can only give shareholders, executive officers and directors reasonable assurance that the above objectives will be achieved. The probability of achieving them is subject to the inherent limitations of any internal control system, such as faulty judgment in decision-making, the need to perform a cost/benefit analysis before implementing controls, or malfunctioning arising from a human error or other simple error.

5.2. Scope of internal control

The internal control system set up by the Company encompasses all companies included in the Group's scope of consolidation.

5.3. Description of internal control procedures

The Company takes the same approach to internal control as the COSO framework, in which five components are defined:

- Control environment
- Risk assessment
- Control activities
- Information and communication
- Monitoring.

Control environment: *the control environment is the foundation for all other components of internal control. It encompasses the integrity, ethical values and competence of personnel; the management style of the executive team; policies on the assignment of authority and the organization and development of personnel; and the governance rules applied at the initiative of the Board of Directors.*

The Company's Board of Directors includes an Audit and Finance Committee, whose composition, meeting frequency and main responsibilities are described in this report. It plays a key role in monitoring internal control, since its responsibilities include:

- Examining and assessing all points related to the preparation, auditing and publication of financial documents produced by the Company in connection with its financial reporting.

- Reviewing the annual internal audit plan and monitoring the recommendations issued by the statutory auditors and the internal audit team.

- Keeping informed of progress made with risk management programs.

The Code of Ethics and Business Conduct that has been implemented in the Group sets down all of the essential rules of conduct that the Group expects all employees to abide by and is an important tool in maintaining the quality of the Group's control environment.

Self-assessments conducted by Group subsidiaries to evaluate the quality of their control environment were launched in 2009 and repeated in 2010. The 2011 internal audit plan incorporates the year's findings. These self-assessments will continue to be updated annually.

Risk assessment: *Every entity faces a variety of risks from external and internal sources that may impact the achievement of its objectives and that must be managed, i.e. identified and analyzed. The main risks facing the Company are described in the Activity section of the 2010 Registration Document.*

Ingenico's approach to risk control is based on assessing risks using mapping techniques and developing plans of action to manage the risks. Risk analysis and prevention methodology is the responsibility of the Internal Audit Department.

The Ingenico Group regularly maps its risks. In 2009, the risk map revealed some ten or so risks pertaining to strategy, sales activity, operations, human resources and finance. For each risk, the likelihood of occurrence, the potential impact and the effectiveness of existing control measures were assessed. Action plans to reduce Ingenico's exposure to the risks identified as the most significant were set, with implementation to be staggered over 2010 and 2011. These plans are managed by the people who "own" the specific risks and are responsible for the relevant risk control and reduction plans.

To enable it to monitor risks and the risk management process, the Corporate Governance and Ethics Committee and the Finance and Audit Committee keep the Board of Directors informed of the principal steps taken to monitor risks, such as the creation of internal control positions in subsidiaries, the introduction of the Code of Ethics and Business Conduct and the development of an internal control manual.
Control activities: Control activities can be defined

Control activities: *Control activities can be defined as the application of policies and procedures that help ensure management directives are carried out.*

At the initiative of Company management, a set of rules and procedures was gradually introduced for each executive, business or functional unit. The Group also rigorously and actively monitors the performance of each business unit and the application of the Group's policies.

To enhance the consistency of rules and procedures, an internal control manual was developed for the entire Group. Each chapter of the manual provides a detailed list of the control objectives to be achieved and the key controls to be implemented. The manual was also aligned with the Group's risk map.

Information and communication: *Pertinent information regarding internal control must be identified, gathered and reported in a form and timeframe that enable each relevant person in charge to be informed of identified weaknesses and to take the required corrective action.*

The Ingenico Group's strategy includes maintaining its strong local presence worldwide, especially in five key regions. It is very important to be close to our customers and partners so that we can offer them the solutions that best meet their needs and the specific characteristics of their region. This is one of the Group's main strengths in sales. Our information channels and organizational structure have been designed so that any internal control weaknesses as well as any best practice implemented by a regional or business unit can be reported and shared with all relevant managers.

The Regions are organized in a similar manner to the Group's management, enabling faster decision-making, greater efficiency and increasingly fluid information flow between the corporate center and the regions.

Information and communication regarding internal control are closely related to the Group's organizational structure:

- Budget control is ensured through monthly reporting on performance. Each region produces a report, which is consolidated centrally. The purpose of the reporting is to track where sales and profits are being generated, analyze the resulting operating income and identify deviations from the budget.

- During monthly reviews, regional/country directors meet with the Executive Committee to analyze performance and operational issues requiring attention.

Corporate functions are responsible for ensuring that the Group's business strategy is applied in their area of responsibility. Accordingly, the Operations division ensures that production work is carried out in compliance with the standards set by the Group and handled by subcontractors that it has approved. The Marketing division defines and validates the product and marketing policies adopted in the regions.

Monitoring: *Internal control systems need to be monitored to assess the quality of performance over time. This is accomplished through ongoing monitoring activities and periodic evaluations.*

To conduct these periodic evaluations, an Internal Audit Department has been set up. It reports directly to the Chairman and Chief Executive Officer. It carries out missions for all of the Group's cross-functional departments and subsidiaries and monitors issues related to internal control and risk management.

An internal audit plan is established each year on the basis of the internal audit findings in the preceding years, the risk-mapping described above and the results of the control environment self-assessment process. Such audits may pertain to subsidiaries, processes or narrower issues at the request of the Executive Committee or the Chairman and Chief Executive Officer.

In 2010, the Internal Audit Department carried out an audit program approved by the Audit and Finance Committee. It implemented the action plans required to correct any observed deficiencies. The work carried out in 2010 did not reveal any significant internal control weaknesses or deficiencies.

5.4. Internal control procedures relating to the preparation and processing of accounting and financial information

5.4.1 Accounting and financial organization

In order to achieve complete transparency between operating departments and financial management and ensure that operations are reported to the fullest possible extent, the Group has adopted the following organization for its teams, resources and processes:

- Financial controllers and/or chief financial officers at subsidiaries report to the Group Chief Financial Officer rather than to subsidiary or regional heads.

- The members of the Executive Committee meet with the regional directors several times a year.

- All of the Group's main entities use the same accounting management system.

- A single chart of accounts is used throughout the Group.

- A Controller's Book, compiling all the instructions for reporting and the completion of consolidation worksheets, is being drafted.

This organization provides the accounting and financial function with all the data required to prepare the financial statements for the entire scope of operations.

5.4.2 Accounting and financial information systems

As mentioned earlier, one of Ingenico's goals in recent years has been to standardize its information systems (SAP, Magnitude).

By using a standard format for its Management Reporting, the primary tool for analyzing the operational performance of entities, the Group can compare and analyze entity performance for each product or service line and for operating expenses. Monthly management information is generated from monthly closing data.

5.4.3 Disclosure of financial and accounting information

Financial and accounting information is not disclosed until it has been reviewed and approved by the Chief Financial Officer.

The Company abides by a timetable of its accounting and financial disclosure and reporting obligations.

5.4.4 Internal control over finance

The following tools are used to monitor the accuracy of financial data on an ongoing basis:

- Controllers are regularly provided with instructions on budgetary implementation, reporting and consolidation worksheets.

- A Group-wide chart of accounts has been introduced.

Detailed monthly analysis of performance at all entities is conducted on the basis of entity reporting. This process enables the Group to verify the correct financial rendering of its business activity and to identify any possible operating risks (e.g. delays in accounts receivable, credit notes to be issued, litigation, excess inventory), while also reviewing the grounds for holding the Group's main assets.

- Each quarter, all legal entities are required by the Articles of Association to perform a closing process, followed by consolidation and reconciliation with financial reporting to identify any possible discrepancies. The closing process includes a global review of inventory write-downs with the Operations division.

- Cash flow at all Group companies is regularly analyzed.

- All funding across the Group is centralized in the Corporate Treasurer's Office (under the control of the Chief Financial Officer).

- Hedging transactions for all Group entities are centralized in the Corporate Treasurer's Office.

- All bank account openings/closings and all bank account signing authorities are centralized.

- The treasury centralization process (with a cash pooling system) has been completed.

5.5 Current trends

The Ingenico Group places the utmost importance on its internal control system. This is best demonstrated by the investments it has made to further improve the organization of its internal control, as described in this report. The Ingenico Group has set itself the following goals to be achieved at the end of 2010:

- Implement a procedure to monitor annual risk occurrence and the level of risk control in the Group.

- Strive continuously for greater efficiency in the internal audit function and the communication protocol for internal control.

- Continue to improve subsidiary support and accountability regarding internal control, especially at entities having recently joined the Group.

- Further accelerate the publication of its financial information.

Philippe LAZARE
Chairman and Chief Executive Officer

STATUTORY AUDITORS' REPORT

PREPARED IN ACCORDANCE WITH ART. L. 225-235 OF THE FRENCH COMMERCIAL CODE ON THE REPORT PREPARED BY THE PRESIDENT OF THE BOARD OF DIRECTORS OF THE COMPANY INGENICO S.A

Year ended December 31, 2010

To the Shareholders,

In our capacity as statutory auditors of Ingenico S.A., and in accordance with Article L.225-235 of the French Commercial Code ("Code de commerce"), we hereby report on the report prepared by the Chairman of your company in accordance with Article L.225-37 of the French Commercial Code for the year ended December 31, 2010.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L.225-37 of the French Commercial Code, particularly in terms of the corporate governance measures.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and

- to attest that the report contains the other disclosures required by Article L.225-37 of the French Commercial Code, it being specified that we are not responsible for verifying fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

These standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information.

These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based, and of the existing documentation ;

- obtaining an understanding of the work involved in the preparation of this information and existing documentation ;

- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, contained in the report prepared by the Chairman in accordance with Article L.225-37 of the French Commercial Code.

Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by Article. L.225-37 of the French Commercial Code.

Paris and Paris La Défense, February 28, 2011

SA C.G.E.C.	KPMG Audit IS
Sophie Brulebois	Jean-Pierre Valensi
Partner	Partner

HUMAN RESOURCES INFORMATION

Workforce and recruitment

Total workforce at December 31, 2010

Ingenico S.A. had a total workforce of 624 staff members at December 31, 2010 (versus 428 employees in 2009, a 46 percent increase attributable to the integration of staff from Ingenico France S.A.S.). Ingenico S.A. recruited a total of 72 employees in 2010 (versus 90 in 2009, a 20 percent decline), including 49 hired on permanent employment contracts, 4 on fixed-term contracts and 4 on work-study programs. An additional 15 students were hired as interns.

2010	Men	Women	Total
LEVEL 3 MANAGEMENT	187	46	233
LEVEL 2 MANAGEMENT	228	47	275
LEVEL 1 MANAGEMENT	7	6	13
EQUIVALENT MANAGEMENT	29	27	56
ADMINISTRATIVE AND SUPERVISORY STAFF	18	29	47
TOTAL	469	155	624

The workforce of the global consolidated Group totaled 3,069 employees at December 31, 2010 (versus 2,830 employees as at end of 2009).

Recruitment issues

Ingenico S.A. does not face any specific challenge in recruiting staff in any particular employment category other than SAP specialists for the Group IS department.

Lay-offs and dismissals

In 2009, no employees were laid off. Out of a total of 624 staff members, there were 15 dismissals.

Overtime

Overtime is not a common practice at Ingenico S.A. The total number of overtime hours paid in 2010 was 2,448.25 (versus 861.68 hours in 2009), representing a gross amount of €26,834.72 (versus €18,608.33 in 2009), performed by 67 people, about 11 percent of the workforce.

Temporary employment

Temporary employment at Ingenico S.A. represents on average 1.30 percent of the workforce (versus 0.60 percent in 2009), involving a monthly average of 6.42 temporary workers (versus 2.6 in 2009) and an average contract duration of 5.48 months (versus 2.3 months in 2009).

Information related to staff reduction and job protection plans, reclassification efforts, re-hiring and attendant measures.

There was no staff reduction plan at Ingenico S.A. in 2010.

Organization of working hours

Ingenico S.A. applies the French Collective Bargaining Agreement for technical offices, engineering-consulting firms, consulting companies and company agreements, several of which were signed in 2010.

Working hours

All full-time employees work an average of 35 hours per week, except for management staff, who work a set number of days per year.

Working hours of part-time employees

There are employees in all categories who have chosen to work part-time. The majority of the 32 part-time employees (versus 13 in 2009) work 4/5 time and are primarily absent on Wednesdays. Four persons are on parental leave.

None of these employees have been required to work part-time.

Absenteeism

Reasons for absenteeism	Number of calendar days absent	Number of (calendar) days normally worked	% absent
Illness	2,285	173,252	1.32%
Work and travel-related accidents	10	173,252	0.01%
Maternity–Paternity and adoption leave	1,075	173,252	0.62%
Family reasons	296	173,252	0.17%
Other	338	173,252	0.20%
TOTAL	**4,004**	**173,252**	**2.31%**

Percentage of absenteeism:

$$\frac{\text{Actual number of calendar days absent x 100}}{\text{Number of (calendar) days normally worked}}$$

Compensation: changes and professional equality

Average monthly compensation

Average monthly compensation of regular employees

These are employees (excluding managers) on permanent contracts who have worked for the Company for two consecutive years. Employees who have changed category are compared within their category of the second year.

In euros	2009			2010		
	Women	Men	Total	Women	Men	Total
LEVEL 3 MANAGEMENT	4,288	5,872	5,555	5,087	6,328	6,083
LEVEL 2 MANAGEMENT	4,232	4,407	4,373	4,119	4,320	4,286
LEVEL 1 MANAGEMENT	2,871	3,278	3,203	2,822	2,877	2,851
EQUIVALENT MANAGEMENT	2,506	2,523	2,518	2,169	2,522	2,352
ADMINISTRATIVE AND SUPERVISORY STAFF	2,288	2,359	2,312	2,162	1,831	2,036

Employer contributions

A total of €18,709,000 was paid in employer contributions in 2010 (in 2009, this amount was €14,522,000).

Application of Article IV of Book IV of the French Labor Code: Incentive programs and employee profit-sharing.

Incentive program

Incentive programs are governed by French law but are optional. An agreement between Ingenico S.A. and the Works Council was signed in June 2006, renewed in 2009. The calculation of rewards is defined very precisely in the incentive program agreement. It is based on a percentage of the Group's adjusted current operating income.

Incentive rewards are available immediately. They may, however, be frozen for five years in the Company Savings Plan, benefiting from a tax exemption.

Change in total incentive rewards paid by all participating companies

	Year	Amount
	2010	**€1,677***
Amount paid per employee	2009	€1,400
	2008	€4,000

* An exceptional incentive bonus of €1,700 gross per employee was paid in 2010. This bonus was €600 gross per employee in 2009.

Employee profit-sharing

Profit-sharing is a required scheme in France that was introduced in 1968 and applies to all companies with more than 50 employees that make a profit.

Profit-sharing scheme (Agreement of July 15 1992 + amendments):

The profit-sharing scheme is based on Company earnings. The Company must generate sufficient earnings to constitute a positive profit-sharing reserve in order for the scheme to apply.

The agreement stipulates the terms under which Ingenico S.A. employees are entitled to participate in the profit-sharing scheme and can benefit from the special profit-sharing reserve set up in application of Articles 7 to 21 of the French Order and Articles 6 to 31 of French Decree 87-544 of July 17, 1987.

For further information: Please refer to the Profit-Sharing Agreement and its amendments.

Change in profit-sharing

	Year	Amount
Total amount of the profit-sharing reserve	**2010**	**€0**
	2009	€0
	2008	€0

Due to other parameters taken into account in calculating the bonus, no profit-sharing bonuses have been paid in the past three fiscal years (2008 to 2010).

Ingenico S.A. Employee Savings Plan and Fund

Agreement of April 10, 2008

The Employee Savings Plan is governed by the provisions in Chapter IV of Book IV of the French Labor Code. It enables Company employees, with the help of employer contributions, to build a portfolio of marketable securities and enjoy the tax benefits granted under this type of collective savings plan.

For further information: Please refer to the June 2010 supplement to the Employee Savings Plan Agreement.

Employee Savings Plan and the 2010 Ingenico Share Ownership Plan (ISOP)

In 2010, to commemorate its 30th anniversary, Ingenico decided to encourage its employees to share in the Group's success by becoming owners of shares of its equity capital under special conditions: a 20-percent discount off the subscription price, subscription and account management fees paid by the company and a matching contribution of up to €2,000 if the employee invests in the company-sponsored employee savings plan.

Equality in the workplace

Ingenico is committed to equality in the workplace between men and women.

The effective application of rights based on the principles set out in the conventions of the International Labor Organization is the responsibility of staff at all levels. The alert and advice procedures outlined in Article 3 of Chapter I of Ingenico's Code of Ethics and Business Conduct provide the means for all staff members to ensure that the rights described therein are respected.

The Article lists six points:

- Equal opportunity based on merit and skills.
- Prohibition of discrimination and sexual and moral harassment.
- Prohibition of child labor.
- Prohibition of forced labor.
- Health and safety.
- Freedom of association and collective bargaining.

A comparative review of the general employment and training conditions of the men and women in the Company is presented once a year to the local Works Council.

For further information: Please refer to Ingenico S.A.'s Code of Ethics and Business Conduct.

Labor relations and record of collective agreements

Labor relations

The quality of the labor relations environment at Ingenico S.A. is based on permanent dialogue between management, employees and their representatives.

The September 30, 2010, merger with Ingenico France, which was absorbed by Ingenico S.A., triggered a vast project to harmonize collective agreements. The negotiations with the union representatives and the two Works Councils should be completed by the end of 2011.

Composition of the Works Council by college

At of the end of 2010, pending an agreement that would establish a central Works Council, the Works Councils of each company continued to operate with the following members:

2010	Delegates		Alternates	
	Non-Management	Management	Non-Management	Management
Paris	1	4	1	0
Valence	1	4	1	4
TOTAL	**2**	**8**	**2**	**4**

Record of collective agreements

Dates, signatures and purpose of company agreements signed in the year in question (2010)

- February 12, 2010: Agreement on on-call duty.
- June 2, 2010: Supplement to the Employee Savings Plan to incorporate an employee shareholding fund.
- June 25, 2010: Agreement on the replacement of the long-term service bonus.

Collective agreements and amendments signed prior to 2010 (as a reminder):

- December 30, 2009: Company Agreement on the employment of senior citizens.
- December 30, 2009: Supplement to the Employee Savings Plan to incorporate a solidarity fund.
- June 30, 2009: Supplement to the Ingenico S.A. Incentive Program Agreement signed with the Works Council.
- March 4, 2009: Company Agreement on salaries.
- June 30, 2008: Supplement to the Ingenico S.A. Incentive Program Agreement with the Works Council.
- April 10, 2008: Agreement on the Employee Savings Plan.
- November 28, 2007: Agreement on the terms of the Ingenico S.A. Sagem Monetel merger.
- February 15, 2007: Agreement on the harmonization and adaptation of employment conditions at Ingenico S.A..
- June 30, 2006: Ingenico S.A. Incentive Program Agreement with the Works Council.
- June 15, 2000: Agreement to reduce working hours.

Training

Percentage of payroll expenditure allocated to ongoing training in 2010

Ongoing training	% allotted to ongoing training	Amount of payroll in € in N-1
2010	3.13%*	€31,462,045
2009	2.58%	€27,078,872

* Including 0.10% reserved for training of "seniors", in accordance with the company agreement.

- Number of persons trained: 477, i.e. 76.44% of workforce at December 31, 2010 (versus 288 in 2009).
- Number of in-house training courses: 193 (versus 176 in 2009).
- Number of hours of training: 11,254 hours (versus 6,817 in 2009), exclusively for workshops.
- Number of employees who benefited from a Droit Individuel à la Formation (or DIF, individual training entitlement): 21 (versus 5 in 2009).

Ingenico S.A.'s Human Resources intranet site provides employees with comprehensive information about their professional training options, rights and entitlements.

Employment and integration of disabled workers

Five disabled workers were employed at December 31, 2010 (versus 1 in 2009).

Initiatives to raise awareness among management teams were conducted in 2010, with the aim to encourage the hiring and integration of employees with disabilities.

An informative brochure was also distributed to all employees in 2010.

Note: The definition of disabled worker is recognized by the Commission des Droits et de l'Autonomie (CDA), formerly COTOREP (equivalent falling under the Equal Employment Opportunity Commission in the United States).

Employee funding programs

Breakdown of company expenditure

This includes expenditure on transportation, the company restaurant and housing defined as follows:

- Transport: Paris-area transportation bonus (transportation card).
- Housing: mandatory employers' contributions to construction (participation des employeurs à l'effort de construction, or PEEC).
- Company restaurants: contribution to the operation of company cafeterias and restaurants.

In euros	Amount of expenditure		
	2008	2009	2010
Transportation	127,042	161,239	184,570
Housing	89,767	108,894	181,301
Restaurants	273,801	315,202	311,109
TOTAL	**490,610**	**585,335**	**676,980**

The Ingenico S.A. Works Council paid out a total of €446,025 in 2010 (a 17.7 percent increase from €379,104 in 2009).

Outsourcing

Methods used by the Company to promote awareness of the fundamental conventions of the International Labor Organization among providers and ensure their compliance by subsidiaries.

	2010	
	Amount in euros	%
Temporary workers	158,270	3%
Outside service providers	5,734,400	97%
TOTAL	**5,892,670**	**100%**

Ingenico S.A. promotes and complies with the Universal Declaration of Human Rights.

Ingenico has drawn up an Ethics Charter that applies to all Group companies. It lays down all the rules identified as fundamental for the safety of the Group, the well-being of its employees, the strength of its relations with third parties and consequently its business performance and sustainable development.

Its application in day-to-day business conduct is one of the Group's priorities.

Ingenico S.A. refers to the International Labor Organization Declaration on Fundamental Principles and Rights at Work, covering the freedom of association, the elimination of all forms of forced or compulsory labor, effective abolition of child labor and elimination of discrimination in respect of employment and occupation. Particular emphasis has been placed on eradicating child labor and forced labor.

The Group shall under no circumstances tolerate child labor either within its scope or by its service providers. This prohibition includes any work that could undermine children's access to schooling and education, their development or physical and emotional health or could deprive them of their right to a childhood and to respect.

Compliance with the following rules is fundamental:

- Full compliance with applicable minimum age requirements in all countries where the Group is present. In any case, this minimum age shall not be lower than that stipulated in ILO conventions 138 and 182, i.e. age 16, or 18 for hazardous or strenuous work.

- Employing children age 16 to 18 is only authorized if employment in no way prevents their access to schooling.

- The management of each Group entity shall ensure that its service providers comply with these rules. The Group's Legal Department shall provide them with the appropriate legal tools for applying this rule.

For further information: please refer to Ingenico S.A.'s Code of Ethics and Business Conduct.

Impact on national employment and regional development

Ingenico S.A.'s premises are located in the Paris area (Neuilly-sur-Seine and Suresnes), in Mérignac, and since the September 30, 2010, merger with its subsidiary Ingenico France, in the Rhône-Alpes region in Guilherand-Granges, next to Valence.

In the past three years, Ingenico S.A. has hired 224 employees (versus 192 in 2009) under both permanent and fixed-term contracts at these sites, thus positively contributing to regional development.

Ingenico S.A. paid a total of €1,765,437 in business tax for 2010 (the new Contribution Economique Territoriale tax), versus €1,400,653 in business tax for 2009).

Relations with educational establishments and organizations

Educational establishments

For more than two years, Ingenico S.A. has been developing a strong partnership with ENSICAEN, the only engineering school in France that offers a Master's degree in electronic payment systems.

Three interns from INSA Lyon come to work at Ingenico S.A. every year.

Ingenico S.A. also has close ties with ESISAR, an engineering school in Valence. One of the members of the Ingenico S.A. Executive Committee is on the school's board of directors. Research projects are systematically carried out at the Company. Ingenico S.A. regularly welcomes interns, and many engineers graduated from this school.

In 2010, Ingenico S.A. paid €234,896 in French apprenticeship tax (versus €199,781 in 2009).

Promotion of environmental protection

Ingenico S.A. and its employees regard environmental protection as one of the Group's top business priorities.

Even though the Group does not have a production site, everyone should be concerned about environmental friendliness and greenhouse gas emissions.

Group employees are encouraged to do the following:

- When they have a choice, favor the most environmentally-friendly suppliers and service providers.

- Avoid unnecessary energy consumption through simple, sensible day-to-day acts: turning off the lights when leaving a room, turning off computers at the end of the day, avoiding unnecessary use of running water, etc.

- Avoid the unnecessary use of paper by printing electronic documents only when required for work-related purposes.

The Group is dedicated to protecting the environment. Attesting to the Group's commitment, its policy is to meet or surpass applicable legal requirements. Employees must notify other staff of any incidents involving the spill or emission of toxic substances into the environment.

Breaches of environmental laws, even unintentional, can result in heavy fines and lawsuits. The Group, the employees involved or both may be held liable for such breaches.

Thanks to its exemplary environmental practices, Ingenico S.A. was able to obtain ISO 14001 certification in 2010.

ENVIRONMENTAL INFORMATION

Ingenico is a responsible company. It is committed to preserving the environment by deploying an ISO 14001-certified management system and implementing its own environmental policy through a program to improve to reduce the environmental impact related to its activities and preventing pollution.

A certified Environmental Management System

Protecting the environment is a fast-growing concern in today's world. For a company to sustainably manage the environmental impact of its business, it must adopt a soundly structured approach. This is why Ingenico has chosen to evolve its Quality Management System into an Integrated Management System that includes the environmental dimension.

In November 2010, following a certification audit conducted by an independent, accredited organization, the Ingenico Group obtained ISO 14001 certification. This international environmental management standard provides a framework to help companies choose the resources and procedures that will enable them to better manage the environmental impact of their activities, products and services. It requires businesses to adopt environmentally conscious practices such as compliance with applicable regulations, the identification and evaluation of significant environmental impacts, goal-setting and the development of a program to achieve these goals or the implementation of continuous improvement via certain measurement and monitoring systems.

Ingenico has therefore reinforced the efforts that it has undertaken for several years by setting up a system with solid foundations, with which it can implement its improvement initiatives and enhance its environmental performance. The ISO 14001 certification obtained this year constitutes recognition for the work the Group has accomplished and the confirmation of Ingenico's formal commitment to sustainable environmental management.

Achievements putting policy into practice

In applying ISO 14001 standards, Ingenico has developed an environmental policy that supports its positioning as world leader and its approach to corporate responsibility. This policy has four guiding principles.

Setting an example through the implementation of applicable environmental directives

The Ingenico Group monitors, analyzes and implements legal requirements relating to the environment. These regulations are the most stringent in Europe and are constantly being reinforced. Ingenico's aim is essentially to ensure that its products comply with regulations and to take a proactive approach in several areas.

- The **RoHS** (Restriction of the use of certain Hazardous Substances) directive aims to reduce the use of certain substances that are hazardous to the health and the environment and are found in electrical and electronic goods marketed in the European Union. They mainly include lead, mercury and flame retardants (PBB and PBDE). In 2010, all of the products delivered by Ingenico, including outside the European Union, were RoHS-compliant.

- The **REACH** (Registration, Evaluation, Authorization and restriction of CHemicals) regulation, applicable in the European Union, aims to identify the most dangerous chemicals and gradually replace them with safer, appropriate alternatives. Although it is exempted from the chemical registration procedure, Ingenico carefully monitors the list of substances of very high concern (SVHC) published by the European Chemicals Agency (ECHA) and implements the tools required to inventory and monitor these substances with its component suppliers.

- The **Batteries and Accumulators directive** regulates the collection and recycling of this type of waste, including those that may be incorporated into electrical or electronic products.

- The **WEEE** (Waste Electrical and Electronic Equipment) directive, applicable in the European Union, requires manufacturers of electrical and electronic equipment to organize and finance the collection, treatment and disposal of their products at the end of their useful lives. In addition to setting up specific recycling processes, Ingenico offers guidance to its distributors, with the aim of progressively achieving the systematic recycling of its products.

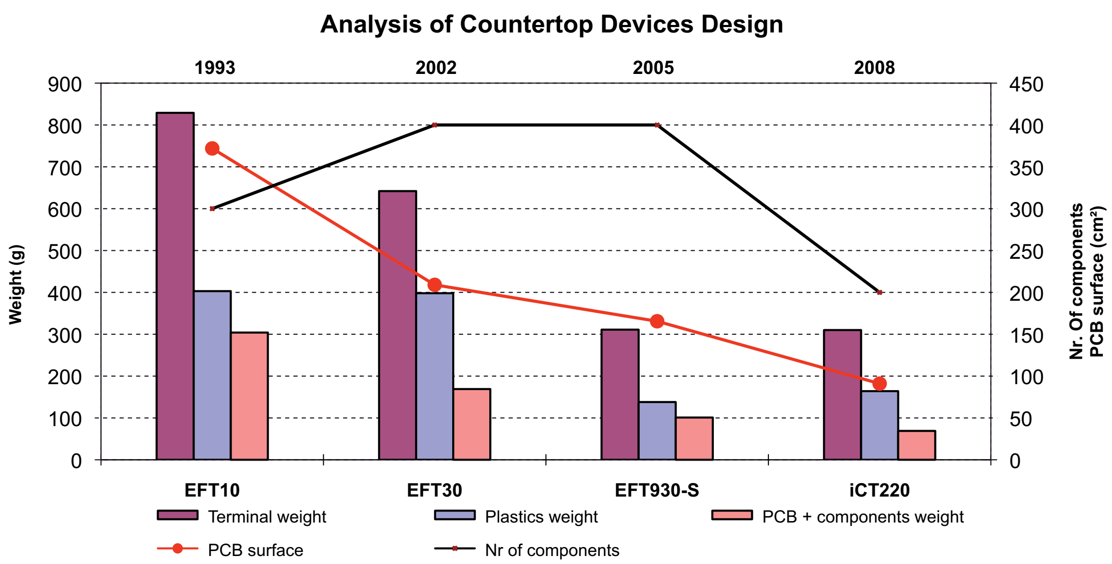
- The **Packaging directive** seeks to harmonize European initiatives, to reduce the weight and volume of packaging that is required, at the source, and to minimize health hazards by diminishing the presence of heavy metals.
- The E.U.'s **ErP** (Energy-related Products) directive establishes a framework for the eco-design of energy-related products. Ingenico carefully monitors all implementing measures: although none of the measures currently apply to it, the Group strives to uphold eco-design principles in its new product ranges.

Thinking environmentally right from product design

Design is the key stage at which manufacturers have the greatest leverage to manage the environmental impacts of their products.

Ingenico follows a continuous improvement approach and promotes the "eco-design" of its terminals: eliminating hazardous substances, optimizing energy consumption, using fewer components (up to half as many in new-generation terminals), extending their useful life and facilitating product recycling at the end of their life cycle.

As it evolves the technological performance of its hardware platforms, Ingenico continues to integrate their functions and improve their associated environmental performance.

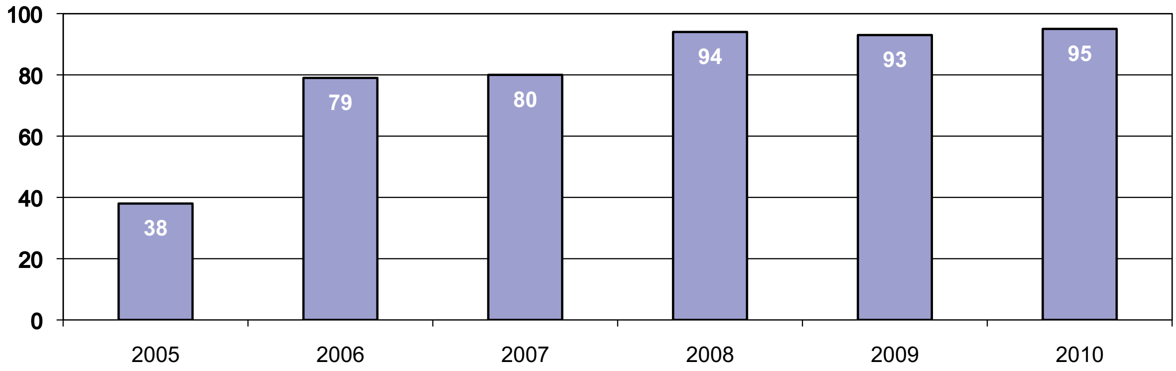


Implementing a responsible procurement policy incorporating environmental criteria

Ingenico operates in a fabless environment, meaning that it does not manufacture its own products. Since production is outsourced to several EMS (Electronic Manufacturing Services) facilities, Ingenico must apply especially stringent standards to its various suppliers and subcontractors, especially regarding environmental issues.

In 2010, 95 percent of Ingenico terminals were assembled in ISO 14001-certified EMS plants. Ingenico has set itself the goal to make this 100 percent within two years.

Proportion of products made in ISO 14001 certified plants



Ingenico will therefore strengthen its specifications for suppliers to ensure compliance with all aspects of its environmental policy. Environmental criteria are already incorporated into specifications files for outsourced developments.

Raising environmental awareness among employees

The Ingenico Group encourages employees to adopt environmentally-conscious attitudes in their daily work. It introduced several initiatives to lower paper consumption, for example, through systematic recto-verso printing; reduce travel, through greater use of videoconferencing; and promote the sorting of waste.

Outlook for the environmental program

Ingenico implements an environmental program, on which it communicates widely, to consolidate its achievements and develop the various components of its policy.

This program primarily focuses on reducing the environmental impact of its products. In addition to the efforts made at the design stage of its terminals, Ingenico works to set up recycling programs for end-of-life products and make them available to its customers in every E.U. country as well as non-European locations.

Ingenico also seeks solutions to reduce the carbon emissions related to procurement processes and the transportation of finished products from one assembler and region to another.

A great deal of emphasis is placed on keeping manufacturing suppliers informed and aware of environmental practices and issues. Ingenico will assess their compliance with Ingenico's requirements in this area, as well as their real environmental performance, on a regular basis.

SHARE CAPITAL

Share capital at December 31, 2010

At December 31, 2010, the Company had a total share capital of €51,511,971, for an equivalent number of shares, representing 70,254,746 theoretical voting rights (including shares for which voting rights have been suspended) and 69,379,303 exercisable voting rights.

Changes in share capital over the past five years

Date	Transactio	Shares issued/ cancelled	Par valuel	Total shares	Share Capital
February 9, 2006	Capital increase in cash resulting from exercise of stock subscription options, placed on record by the Board of Directors on February 9, 2006.	+ 28,000	€1	29,952,312	29,952,312
May 31, 2006	Capital increase resulting from exercise of stock subscription options, placed on record by the Board of Directors on June 22, 2006.	+ 172,000	€1	30,124,312	30,124,312
October 31, 2006	Merger of MoneyLine S.A. with and into Ingenico	+ 1,882,764	€1	32,007,076	32,007,076
December 31, 2006	Capital increase resulting from exercise of stock subscription options between June 1, and December 31, 2006, placed on record by the Chairman on January 18, 2007 as delegated by the Board.	+ 101,500	€1	32,108,576	32,108,576
June 27, 2007	Capital increase resulting from exercise of stock subscription options between January 1 and May 30, 2007	+ 266,950	€1	32,375,526	32,375,526
June 27, 2007	Distribution of stock dividend for 2006	+ 113,418	€1	32,488,944	32,488,944
July 13, 2007	Capital increase used as consideration for shares in Planet Ödeme Sistem Cözümleri A.S.	+ 271,064	€1	32 760 008	32,760,008
December 14, 2007	Issuance of free shares whose vesting period expired on December 14, 2007.	+ 100,000	€1	32,860,008	32,860,008
December 31, 2007	Capital increase resulting from exercise of stock subscription options between June 1 and December 31, 2007, placed on record by the Chairman on January 11, 2008 as delegated by the Board.	+ 70,062	€1	32,930,070	32,930,070
February 21, 2008	Capital increase in connection with requests for conversion by OCEANE bondholders, placed on record by the Chairman	+ 4,063,216	€1	36,993,286	36,993,286
March 14, 2008	Capital increase used as consideration for shares in SagemMonétel, Sagem Denmark and Sagem do Brasil.	+ 10,663,046	€1	47,656,332	47,656,332
December 31, 2008	Capital increase resulting from exercise of stock subscription options between January 1 and December 31, 2008, placed on record by the Chairman on January 6, 2009 as delegated by the Board	+ 135,342	€1	47,791,674	47,791,674
June 24, 2009	Distribution of stock dividend for 2008	+ 597,274	€1	48,388,948	48,388,948
December 31, 2009	Capital increase resulting from exercise of stock subscription options between January 1 and December 31, 2009, placed on record by the Chairman on January 7, 2010 as delegated by the Board	+ 248,187	€1	48,637,135	48,637,135
January 20, 2010	Cancellation of treasury shares	- 250,000	€1	48,387,135	48,387,135
June 15, 2010	Issuance of new shares in the framework of the distribution of stock dividend for 2009, placed on record by the Chairman and Chief Executive Officer.	+ 290,272	€1	48,677,407	48,677,407
July 21, 2010	Issuance of new shares in the framework of a capital increase limited to employees (1) and resulting from the exercise of stock subscription options (2), placed on record by the Chairman and Chief Executive Officer	+ 172,417 (1) + 51,581 (2)	€1	48,901,405	48,901,405
July 30, 2010	Capital increase resulting from the issuance of bonus shares with one bonus share issued for twenty previously existing shares, as delegated by the Annual Meeting dated May 11, 2010 and resolution of the Board on the same day.	+ 2,445,070	€1	51,346,475	51,346,475
December 31, 2010	Capital increase resulting from the exercise of stock subscription options between July 16 and December 31, 2010 placed on record on January 6, 2011 by the Chairman and Chief Executive Officer as delegated by the Board.	+ 165,496	€1	51,511,971	51,511,971

Authorizations to increase/reduce capital and buy back shares

Authorized unissued capital

The following authorizations approved by the Shareholders' Meeting of May 11, 2010 are currently in force:

Type of authorization	Maximum capital increase that may result from the issue (par value)	Aggregate ceiling of all capital increases (par value)	Pre-emptive subscription rights	Term	Use made of the authorization during the year
22ND-RESOLUTION – SM May 11, 2010 Capital increase through capitalization of share premiums, reserves, earnings or other sums.	€10,000,000	-	yes	26 months	On July 30, 2010, the share capital was increased by €2,445,070 through the allotment of 2,445,070 newly issued bonus shares.
25TH-RESOLUTION - SM May 11, 2010 Issue of bonus equity warrants to shareholders in the event of a public tender offer.	€15,000,000	-	yes	26 months	None
12TH-RESOLUTION - SM May 11, 2010 Capital increase through issuing stock and/or other securities conferring immediate or future entitlement to company shares (with pre-emptive subscription rights).	€30,000,000 + 15% of the initial issue	€30,000,000	yes	26 months	None
13TH-RESOLUTION - SM May 11, 2010 Capital increase through issuing stock and/or other securities conferring immediate or future entitlement to company shares (without pre-emptive subscription rights) through a public issue including contributions in kind (17th-Resolution).	€15,000,000 + 15% of the initial issue 10% of share capital		no	26 months	None
14TH-RESOLUTION - SM May 11, 2010 Capital increase through issuing stock and/or other securities conferring immediate or future entitlement to company shares (without pre-emptive subscription rights) through a private placement including contributions in kind (17th-Resolution).	€15,000,000 + 15% of the initial issue 10% of share capital		no	26 months	None
18TH-RESOLUTION - SM May 11, 2010 Capital increase through issuing stock and/or other securities conferring entitlement to company shares as consideration for securities contributed in connection with a public offer of exchange.	10% of share capital		no	26 months	None
19TH-RESOLUTION - SM May 11, 2010 Capital increase reserved for employees.	Limited to a total number of shares representing 2% of the share capital		no	26 months	None*
20TH-RESOLUTION - SM May 11, 2010 Allotment of new or existing bonus shares.	The total number of shares cannot represent more than 5% of the share capital as at the Board decision		no	26 months	None**
21ST-RESOLUTION - SM May 11, 2010 Issue of stock options for new or existing shares.	Limited to a total number of shares representing 2% of the share capital as at the Board decision		no	26 months	None

* The capital increase reserved for employees, placed on record on July 21, 2010, was carried out on the basis of the authorization granted by the Shareholders at their Meeting of May 15, 2009

** The 590,933 free shares granted in 2010 were granted on the basis of the authorizations given by the Shareholders at their Meeting of March 14, 2008.

Potential share capital

The potential share capital includes only stock options and free shares. There are no dilutive instruments.

Stock subscription option plans for employees, directors and executive officers of the Company and its subsidiaries

	Tranche A	Tranche B	Tranche C	Tranche D	Tranche E	Tranche F	Tranche G	Tranche H
Date of Shareholders' Meeting	March 18, 2003	July 25, 2003	April 20, 2004	June 10, 2004	July 8, 2004	December 14, 2004	Planned but not granted	September 20, 2005
Subscription price	95% of the average opening share price over the twenty trading days preceding the grant date							
	€5.37	€8.42	€10.36	€10.99	€13.93	€11.07	-	€11.01
Number of subscription options outstanding at December 31, 2010	16,121	0	2,271	0	0	23,305	-	33,167
Maximum dilution	0.03%		0.00%			0.05%		0.06%

i.e. maximum share capital dilution of 0.15 percent at December 31, 2010.

Stock subscription and purchase options granted to the ten non-executive employees and exercised by them in 2010:

	Total stock options grants/ shares subscribed for or purchased	Shares granted Tranche A	Shares granted Tranche B	Shares granted Tranche C	Shares granted Tranche D	Shares granted Tranche E	Shares granted Tranche F	Shares granted Tranche H	Weighted average price of Tranches
STOCK OPTIONS GRANTED during the year, by the issuer and by any company included in the stock option program, to the ten employees of the issuer and of any company included in the stock option program who thereby received the highest number of stock options.	-	-	-	-	-	-	-	-	-
STOCK OPTIONS GRANTED by the issuer and the above-mentioned companies and exercised, during the year, by the ten employees of the issuer and of said companies who purchased or subscribed for the highest number of shares	108,378	58,605	-	2,512	-	-	22,520	24,736	€9,793

Free share grants

Free share grants in 2010

In 2010, the Company granted 590,933 free shares to Group employees, directors and executive officers, making use of the authorizations given by the Shareholders at their Meeting of March 14, 2008.

Dilution caused by free share grants outstanding at December 31, 2010

At December 31, 2010, there were 912,786 free shares outstanding, for which the vesting period had not yet expired, representing a 1.74 percent dilution of the Company's share capital.

At the Board's option until the vesting date, these shares may be either existing or new shares.

Authorization to repurchase shares

Repurchase by the Company of its own shares in 2010
(Article L.225-211 of the French Commercial Code):

At the Shareholders Meeting held on May 11, 2010, the Company's shareholders authorized the Company to launch a share repurchase program, a description of which was included in the Registration Document filed with the AMF on April 8, 2010.

This program cancels and replaces the program authorized under the Seventh Resolution approved by the Shareholders' Meeting of May 15, 2009.

The Board of Directors approved this program on May 11, 2010.

Number of shares purchased and sold during the year

In 2010:
- 1,610,047 shares were repurchased under the liquidity contract at an average price of €19.671.
- 1,753,481 shares were sold under the liquidity contract at an average price of €19.208.
- 550,000 shares were purchased under mandates other than the liquidity contract at an average price of €17.778. The related trading fees totaled €17,541.32.

Number and value of treasury shares at December 31, 2010

As a result of trading activity during the year, the liquidity contract showed a positive balance of 51,744 shares at December 31, 2010.

At that same date, the portfolio of Ingenico shares bought back by the Company for other purposes under the authorization granted by the Shareholders' Meeting on May 15, 2009 and previous authorizations totaled as of December 31, 2010 823,699 shares, repurchased at an average price of €16.151.

At December 31, 2010, the Company thus held a total of 875,443 treasury shares of which:

- 51,744 were purchased under the liquidity contract, and
- 823,699 were purchased for other purposes,

representing 1.70 percent of total share capital (which was 51,511,971 one-euro par value shares).

The value of the portfolio at the balance sheet date was as follows:

- Cost: €14,645,219.16
- Market value: €23,720,128.09

Use of treasury shares, including transfers for other purposes

During 2010, 715,054 treasury shares were granted to beneficiaries of free share plans.

None of those shares were transferred to other accounts in 2010

Description of the share repurchase program
(pursuant to Article 241-2 of the General Regulation of the Autorité des Marchés Financiers):

At their meeting of April 28, 2011, the shareholders will be asked to approve a new authorization for the Company to trade in its own shares on the following terms:

Fifth Resolution *- Authorization to trade in the Company's own shares*

The shareholders, having met the conditions required for ordinary meetings as to quorum and majority, and having reviewed the Management Report, hereby authorize the Board of Directors, in accordance with Articles L.225-209 et seq. of the French Commercial Code, Articles 241-1 to 241-6 of the General Regulation of the Autorité des Marchés Financiers, Regulation No. 2273/2003 of the European Commission of December 22, 2003 and the market practices authorized by the Autorité des Marchés Financiers, to trade in the Company's own shares on or off the stock market, and on one or more occasions.

The purpose of this authorization is to allow the Company to do the following:

- Hold and use Company shares as a means of exchange or consideration in external growth transactions (in compliance with current laws and regulations and in accordance with standard market practice).

- Use Company shares in connection with the exercise of rights attached to Company securities conferring immediate or future entitlement to Company shares through conversion, exercise, redemption or exchange, presentation of a warrant or any other manner, or carry out any hedging transactions in line with Company obligations concerning these securities, in accordance with stock market regulations and the periods in which the Board of Directors or the person authorized by the Board of Directors will act.

- Implement any Company stock option plan in accordance with Articles L.225-177 et seq. of the French Commercial Code, any free share grant in accordance with Articles L.225-197-1 et seq. of the French Commercial Code, any free share grant to employees, directors and executive officers whether as part of their compensation, as a means to allow them to benefit from the growth of the Company, in the context of options exercised, employee shareholding or corporate savings plans, and to implement any hedging transactions related to these programs under the terms set out by the market authorities and the periods in which the Board of Directors or the person authorized by the Board of Directors will act.

- Maintain a liquid market for the Company's shares via a liquidity contract with an independent investment service provider that complies with a code of ethics approved by the Autorité des Marchés Financiers.

- Cancel all or part of the Company shares purchased as part of a capital reduction, provided that the Tenth Resolution is passed by this Meeting.

- Generally pursue any aims permitted by law or engage in any practices accepted by the market authorities, it being understood that in such cases, the Company would issue a statement to inform its shareholders.

The shareholders hereby resolve that share acquisitions made pursuant to this authorization may under no circumstances allow the Company to hold more than 10 percent of total share capital at the date of purchase after deducting the number of shares resold during the life of the program to maintain a liquid market for the Company's shares. The share acquisitions made by the Company may under no circumstances allow the Company to hold more than 10 percent of total share capital, either directly or indirectly. Consequently, on the basis of the share capital at December 31, 2010 (divided into 51,511,971 shares), and given that the Company held 875,443 treasury shares at that date, the Company would be authorized to purchase up to a ceiling of 4,275,754 shares.

Such share acquisitions may be made by all possible means that are in accordance with current stock market legislation and the code of accepted market practice published by the Autorité des Marchés Financiers, including, where applicable, trading in derivatives and options on regulated or over-the-counter markets, provided that use of such means does not significantly increase the volatility of the Company's share price. The Company reserves the right to make block purchases of stock or to make purchases of stock through a multilateral trading facility or a systematic internalizer. No limit is set on block purchases. The Company also reserves the right to extend the current authorization to trade in the Company's own shares in the event of public tender or exchange offers involving the Company's stock, or in the event of a public tender offer initiated by the Company, in accordance with current market regulations.

The purchase price per share is not to exceed €50. On the basis of share capital at December 31, 2009, the maximum consideration the Company could pay in the event that it were to purchase shares at the maximum price of €50 would be €213,787,700, with the treasury shares held by the Company at that date included in this ceiling.

In the event of capital increases carried out through capitalization of reserves, of free share grants, of stock splits or reverse splits, of depreciation or reduction of the share capital, or of any other transaction affecting the share capital, the aforementioned price shall be adjusted by a multiplier equal to the ratio between the number of shares that made up the share capital prior to the transaction and the number of shares after the transaction.

In order to ensure fulfillment of the present authorization, the Board of Directors is hereby granted the necessary powers, with the option of sub-delegation, to implement the present authorization, in particular to decide whether a share buyback program is appropriate and to determine the procedures for carrying out such a program, to draft and issue a fact sheet about the program, to place all orders on the stock market, to sign all deeds of transfer or assignment, to make all agreements for the keeping of records of share purchases and sales, to carry out any and all filings to the Autorité des Marchés Financiers and any other body, as well as any and all other formalities, notably allocating or reallocating purchased shares to the different formalities, and generally to do whatever is necessary.

The Board of Directors will be presenting the shareholders at their Meeting with the report defined in Article L.225-100 of the French Commercial Code informing them of the present program.

The present authorization is hereby granted for a period of eighteen months from the date of this Meeting and cancels and replaces the authorization granted to the same effect by the Annual Shareholders' Meeting of May 11, 2010.

Breakdown of shares held at January 31, 2011 by use:

83,879 of the 907,578 shares held at January 31, 2011 were used in the liquidity contract in compliance with the code of ethics approved by the Autorité des Marchés Financiers.

823,699 of the 907,578 shares held at January 31, 2011 were granted to employees, directors and executive officers of the Company or of affiliated companies by granting stock options or by granting shares free of consideration, whether as part of their compensation, as a means to allow them to benefit from the growth of the Company, in the context of options exercised or in the context of employee shareholding and corporate savings plans.

Authorization to reduce the share capital

At their Meeting of May 11, 2010, the shareholders authorized the Company, in the Twenty-third Resolution, to reduce the share capital by cancellation of treasury shares.

This authorization was not implemented in 2010.

At their Meeting of April 28, 2011, the shareholders will be asked to approve a new authorization on the following terms:

Authorization to reduce the share capital by cancellation of treasury shares

The shareholders, having met the conditions required for extraordinary meetings as to quorum and majority, and having reviewed the Management Report and the Statutory Auditors' report, hereby authorize the Board of Directors, with the option of sub-delegation to any person authorized under legislative and regulatory provisions, to:

- Cancel Company shares purchased in accordance with Article L. 225-209 of the French Commercial Code and the Fifth Resolution submitted at the present Meeting or under previous buyback programs, at any time and on one or more occasions, with no other formalities, within a limit of 10 percent of share capital and a 24-month period. This limit may be adjusted if need be to reflect any transactions affecting the share capital that take place after this Meeting.

- Reduce the share capital by the same amount. Any difference between the purchase price of cancelled shares and their par value is recognized in additional paid-in capital.

- Amend the Articles of Association accordingly and carry out any necessary formalities.

The Board of Directors is hereby granted the necessary powers, with the option of delegation, to:

- Reduce the share capital by cancellation of shares.

- Establish the amount of the capital reduction.

- Set the terms and report the completion of the transaction.

- Recognize the difference between the carrying amount of cancelled shares and their par value in additional paid-in capital.

- Generally, do whatever is necessary to implement this authorization, amend the Articles of Association accordingly and carry out any required formalities.

This authorization cancels any previous authorization with the same purpose.

This authorization is granted for a period of 18 months as of the date of this Shareholders' Meeting.

SHARE OWNERSHIP

Share ownership at December 31, 2010

For the purposes of this document and in accordance with the AMF's recommendation of December 10, 2009, voting rights are comprised exclusively of those that may be exercised at a general meeting of shareholders and therefore do not include shares whose voting rights have been suspended, such as treasury shares.

Shareholders	No. of shares	% of shares	No. of voting rights	% of voting rights [1]
Morpho [2]	11,630,206	22.58%	22,826,405	32.90%
FMR LLC	2,849,800	5.53%	3,385,481 [3]	4.88%
Jupiter	2,276,801	4.42%	3,492,594 [3]	5.03%
Concert Consellior [4]	1,909,132	3.71%	3,768,401	5.43%
Thibault Poutrel [4]	831,519	1.61%	1,663,038	2.40%
Michel Malhouitre [4 5]	702,2795	1.36%	1,404,558	2.02%
Nadège Poutrel [4 6]	523,931	1.02%	1,036,146	1.49%
Maxime Poutrel [4 6]	452,694	0.88%	896,331	1.29%
Tessa Poutrel [4 6]	448,403	0.88%	891,995	1.29%
Jean-Jacques Poutrel [4 6]	294,697	0.57%	553,837	0.80%
Main shareholders	21,919,462	42.55%	39,918,786	57.54%
Board members (excluding main shareholders) [7]	266,597	0.52%	274,539	0.39%
Employee shareholdership	121,665	0.24%	121,665	0.18%
Treasury shares of which, shares held under the liquidity agreement	875,443 51,744	1.70% 0.10%	0	0
Other shareholders (bearer and registered)	28,328,804	54.99%	29,064,313	41.89%
TOTAL	**51,511,971**	**100%**	**69,379,303**	**100%**

1 Shares that have been registered for over two years have double voting rights. These double voting rights are based on information in the Register of Shareholders managed by Caceis Corporate Trust.

2 Morpho (formerly Sagem Sécurité) is controlled by the Safran group.

3 Voting rights estimate by the Company, based on information in the Register of Shareholders managed by Caceis Corporate Trust

4 Registered holdings as indicated in the Register of Shareholders managed by the Group's depository, Caceis Corporate Trust.

5 i.e. 632,152 shares held by Michel Malhouitre. 31,500 of them as bare owner and 38,627 of them owned jointly with his wife.

6 Jean-Jacques Poutrel has established joint bare ownership with Tessa Poutrel (210,000 shares), Maxime Poutrel (210,000 shares) and Nadège Poutrel (210,000 shares). Jean-Jacques Poutrel is the beneficial owner of these 630,000 shares. The members of the Poutrel family declared that they have been pursuing an independent voting policy since the end of 2003.

7 The members of the Board hold a total of 2,114,401 shares with 3,934,590 voting rights. This represents 4.10 percent of share capital and 5.67 percent of the 69,379,303 voting rights that may be exercised.

To the best of the Company's knowledge, there is no other shareholder who directly or indirectly owns, either alone or in concert, over 2 percent of share capital or voting rights.

To the best of the Company's knowledge, there has been no other significant change since December 31, 2010.

The Company is not controlled by another company, within the meaning of Article L.233-3 of the French Commercial. Consequently, there is no agreement that could bring about a change in control at some future date.

Changes in share ownership over the past three years

For the purposes of this document and in accordance with the AMF's recommendation of December 10, 2009, voting rights are only those that may be exercised at a general meeting of shareholders and therefore do not include shares whose voting rights have been suspended, such as treasury shares.

Shares that have been registered for over two years have double voting rights. Pursuant to Article L.225-124, Paragraph 1 of the French Commercial Code, double voting rights are rendered null and void ipso jure when shares are converted into bearer form or if their ownership is transferred. Nevertheless, transfers through inheritance, the liquidation of marital assets, inter vivos transfers to a spouse or direct relative or transfers resulting from the merger or demerger of a shareholding company do not result in the loss of double voting rights.

	December 31, 2010				December 31, 2009				December 31, 2008			
	Number of shares	% of shares	Number of voting rights	% of voting rights	Number of shares	% of shares	Number of voting rights	% of voting rights	Number of shares	% of shares	Number of voting rights	% of voting rights
Morpho	11,630,206	22.58%	22,826,405	32.90%	10,882,631	22.37%	10,882,631	19.83%	10,663,046	22.31%	10,663,046	20.00%
FMR LLC	2,849,800	5.53%	3,385,481	4.88%	2,440,332	5.02%	2,440,332	4.45%	1,417,766	2.97%	1,417,766	2.66%
Jupiter	2,276,801	4.42%	3,492,5942	5.03%	3,910,386	8.04%	6,634,853	12.09%	3,481,968	7.28%	6,206,435	11.64%
Concert Consellior	1,909,132	3.71%	3,768,401	5.43%	2,477,996	5.09%	3,340,506	6.09%	2,408,400	5.04%	3,265,712	6.13%
Thibault Poutrel	831,519	1.61%	1,663,038	2.40%	791,923	1.63%	1,583,846	2.88%	791,923	1.66%	1,579,339	2.96%
Michel Malhouitre	702,279	1.36%	1,404,558	2.02%	668,838	1.38%	1,337,676	2.44%	668,838	1.40%	1,337,676	2.51%
Nadège Poutrel	523,931	1.02%	1,036,146	1.49%	493,752	1.01%	981,576	1.79%	487,824	1.02%	972,000	1.82%
Maxime Poutrel	452,694	0.88%	896,331	1.29%	427,096	0.88%	849,608	1.55%	422,512	0.88%	841,541	1.58%
Tessa Poutrel	448,403	0.88%	891,995	1.29%	427,051	0.88%	849,520	1.55%	422,469	0.88%	844,937	1.58%
Jean-Jacques Poutrel	294,697	0.57%	553,837	0.80%	266,026	0.55%	512,827	0.93%	247,801	0.52%	489,784	0.92%
Insight Investment	-	-	-	-	-	-	-	-	1,961,779	4.10%	1,961,779	3.68%
Wyser Pratte Management Co.	-	-	-	–	-	-	-	-	1,661,710	3.48%	1,661,710	3.12%
Dexia	-	-	-	-	-	-	-	-	968,314	2.03%	968,314	1.82%
KBL Richelieu Gestion	-	-	-		-	-	-	-	957,558	2.00%	957,558	1.80%
BlackRock (Merrill Lynch)	-	-	-	-	-	-	-	-	598,746	1.25%	598,746	1.12%
CNCE		-	-		-	-	-	-	-	504,657	1.06%	504,657
Main shareholders	21,919,462	42.55%	39,918,786	57.54%	22,786,031	46.85%	29,413,375	53.59%	27,665,311	57.89%	34,271,000	64.29%
Other shareholders (bearer and registered)	28,328,804	54.99%	29,064,313	41.89%	24,489,146	50.35%	25,471,061	46.41%	18,502,073	38.71%	19,037,536	35.71%
Treasury shares	875,443	1.70%	0	0	1,361,958	2.80%	0	0	1,624,290	3.40%	0	0
TOTAL	**51,511,971**	**100%**	**69,379,303**	**100%**	**48,637,135**	**100%**	**54,884,436**	**100%**	**47,791,674**	**100%**	**53,308,536**	**100%**

Dividend distribution policy

Ingenico has no particular dividend distribution policy based on pre-determined criteria. The Board of Directors decides on the size of dividend payments, based on the Company's results of operations, financial condition and investment policy.

The Ingenico Board of Directors will be proposing that the shareholders vote at their Annual Meeting of April 28, 2011 the distribution of a dividend of €0.35 per share payable in cash or in shares, in respect of 2010.

Fiscal year for which dividends are paid	Net dividend per share (in €)	Dividend distribution date
2006	0.10	2007
2007	0.25	2008
2008	0.25	6/18/2009
2009	0.30	6/15/2010
2010	0.35	Subject to approval by the shareholders at their Annual Meeting of April 28, 2011.

Five years after the distribution date, all unclaimed dividends will be forfeited and paid to the French Treasury.

Share ownership thresholds crossed in 2010

Regulatory thresholds

The complete version of the following declarations regarding the crossing of thresholds can be viewed online on the AMF website.

Shareholder	AMF Ruling No.	AMF Ruling Date	Date threshold was crossed	Threshold	Direction (upward / downward)
FMR LLC	n°210C0067	January 15, 2010	January 11, 2010	5% capital	downward
Jupiter Asset Management Limited	n°210C0144	February 8, 2010	January 29, 2010	10% voting rights	downward
Jupiter Asset* Management Limited	n° 210C0160 Supplement to Ruling n° 210C0144 of February 8, 2010	February 12, 2010	-	-	-
Sagem Sécurité	n° 210C0253	March 17, 2010	March 14, 2010	20% and 25% voting rights	upward
Jupiter Asset Management Limited	n° 210C0375	April 30, 2010	April 23, 2010	5% capital	downward
Jupiter Asset Management Limited	n° 210C0398	May 11, 2010	May 5, 2010	5% voting rights	downward
FMR LLC	210C0522 (Cancels and replaces D&I 209C0913 of June 24, 2009, 209C0940 of June 30, 2009, 209C1231 of October 2, 2009, 209C1311 of October 23, 2009, 209C1319 of October 26, 2009, 209C1468 of December 4, 2009, 209C1561 of December 31, 2009 and 210C0067 of January 15, 2010.	June 14, 2010	December 17, 2008	5% capital	upward
FMR LLC	210C0522 (Cancels and replaces D&I 209C0913 of June 24, 2009, 209C0940 of June 30, 2009, 209C1231 of October 2, 2009, 209C1311 of October 23, 2009, 209C1319 of October 26, 2009, 209C1468 of December 4, 2009, 209C1561 of December 31, 2009 and 210C0067 of January 15, 2010.	June 14, 2010	September 30, 2009	5% capital	upward
FMR LLC	210C0522 (Cancels and replaces D&I 209C0913 of June 24, 2009, 209C0940 of June 30, 2009, 209C1231 of October 2, 2009, 209C1311 of October 23, 2009, 209C1319 of October 26, 2009, 209C1468 of December 4, 2009, 209C1561 of December 31, 2009 and 210C0067 of January 15, 2010.	June 14, 2010	March 15, 2010	5% capital	downward

* Statement on holding of 33,042 Contracts for Differences on 33,042 Ingenico shares settled exclusively in cash.

Company threshold crossings

Shareholder	Date threshold was crossed	Direction (upward / downward	Threshold	Number of shares after crossing	% capital after crossing	% voting rights after crossing
Fidelity	January 22, 2010	downward	4%	2,224,211	4.60%	3.87%
Jupiter	February 5, 2010	downward	4%	2,869,567	5.93%	9.70%
Fidelity	February 18, 2010	upward	4%	2,301,670	4.76%	4.01%
Sagem Sécurité*	March 15, 2010	upward	20% / 30%	10,882,631	22.49%	31.64%

* Now called Morpho

Shareholder agreements

AMF Ruling and Notice No. 206C2177

In a letter dated November 30, 2006 and received that day, the Autorité des Marchés Financiers (AMF) was provided with a copy of an agreement signed on November 23, 2006 by Candel & Partners S.A.S.,(1) FBT S.C.A. (formerly Financière de Tayninh S.C.A.),(2) Consellior S.A.S.(3) and Mr. Allan Green with Raiffeisen Centrobank A.G.(4) (hereinafter “RCB”), which reiterated the terms of and replaced the shareholders’ agreement that these Ingenico shareholders entered into on October 4, 2004 to take concerted action with respect to the company Ingenico (see Ruling and Notice No. 204C1192 of October 7, 2004 and Ruling and Notice No. 204C1198 of October 11, 2004.

The parties to said agreement of November 23, 2006 have stated that they continue to act in concert with respect to Ingenico.

On November 23, 2006, the parties jointly held 2,313,347 Ingenico shares and 3,105,726 voting rights, representing 7.23 percent of the Company’s share capital and 8.30 percent of its voting rights,(5) broken down as shown below:

	Shares	% share capital	voting rights	% voting rights
Allan Green	70,000	0.22	70,000	0.19
Consellior SAS	10,000	0.03	10,000	0.03
Candel & Partners SAS	464,004	1.45	811,383	2.17
FBT SCA	543,616	1.70	988,616	2.64
RCB	1,225,727	3.83	1,225,727	3.28
TOTAL IN CONCERT	**2,313,347**	**7.23**	**3,105,726**	**8.30**

The preamble to the agreement of November 23, 2006 includes a mutual commitment by the parties to continue to inform each other of any plan to purchase, subscribe for or sell securities prior to carrying out any transaction on the market or over the counter (except for those involving a total of less than 10,000 securities) and to confer with each other prior to any shareholders’ meeting to adopt a joint position.

The main terms of this agreement are:

Mutual right of first refusal [6]

In the event that one of the parties to this agreement intends to transfer all or some of its/his shares, said party (the “Offeror”) shall be required to provide a written notice of offer, either to RCB, if the Offeror is Consellior S.A.S. or any company controlled by Mr. Allan Green, or to Consellior S.A.S., if the Offeror is RCB. [7]

Either RCB, if the Offeror is Consellior S.A.S. or any company controlled by Mr. Allan Green, or Consellior S.A.S., if the Offeror is RCB, shall have five trading days, following receipt of a bona fide offer, to give notice of acceptance of the offer’s terms and conditions. If the beneficiary of the mutual right of first refusal fails to do so within this time limit, he/it shall be deemed to have irrevocably waived this right. The Offeror may reject the exercise of this right if it involves a total number of shares that is lower than the number of shares in the initial notice of offer. Notice of offer to the other parties to the shareholders’ agreement shall be considered an irrevocable offer by the Offeror to sell the shares offered to said parties. The price to

[1] Company controlled by Mr. Allan Green, 4 avenue Hoche, 75008 Paris.

[2] Limited partnership wholly owned by Candel & Partners, 4 avenue Hoche, 75008 Paris.

[3] Simplified joint-stock company controlled by Mr. Allan Green, 4 avenue Hoche, 75008 Paris

[4] A Raiffeisen group company, Tegetthoffstrasse 1, A-1010 Vienna, Austria.

[5] On the basis of share capital comprising 32,007,076 shares and 37,408,654 voting rights

[6] Any transfer within the Consellior Group and any transfer between the Offeror and any company or other legal entity controlled by the Offeror, that controls the Offeror or is controlled by any company or other legal entity that controls the Offeror, within the meaning of “control” set forth in Article L. 233-3 of the French Commercial Code, may be freely undertaken and is therefore exempt from the right of first refusal, provided that the transferee has previously approved the terms and conditions herein as a party to the shareholders’ agreement.

[7] Transfer or waiver of subscription rights or rights to share allotments, as well as any change in control affecting a legal entity that is a party to the shareholders’ agreement, shall be considered a transfer.

be paid to the Offeror by the beneficiary for said securities shall be equal to the price indicated in the offer, which shall be equal, in the case of an identified transferee, either to the price proposed by the latter, if the offer takes the form of an outright sale, or to the price proposed in good faith by the Offeror, if the shares are offered for valuable consideration other than in the form of an outright sale, or if the shares are offered without valuable consideration.

If, on the last day of the allotted five-day time limit, the beneficiary has not exercised his/its right of first refusal for a number of shares equal at least to the number of shares offered, the Offeror may, as of that date, transfer the shares offered, provided that the transfer is accomplished within the 10 trading days following the above-mentioned expiration date and that it is carried out at exactly the same price as the one mentioned in the initial offer.

If the Offeror is unable to prove to the beneficiary that these conditions have been met, the transfer cannot be completed, and with regard to the shares included in his offer, the Offeror will once again be bound by the shareholders' agreement in the event of any subsequent offer of shares.

In compliance with current stock market regulations, these provisions shall be applicable even in periods of public share offerings, it being understood that the beneficiary shall have a time limit that expires five trading days prior to the closing date for the public offering to furnish written notice of his acceptance of the offer to the Offeror. Subject to compliance with current stock market regulations, the transfer of the shares in the offer shall be completed no later than two trading days prior to the closing date for the public offering. The price per share will be determined as follows:

- In the case of a public tender offer or an alternative offer, the price shall be equal to the final offering price indicated in the offer clearance decision.
- In the case of a public offer of exchange or a combined tender/exchange offer, the price shall be equal to the average opening share price in the first 10 trading days following the start of the public offer.

In the event of higher bids or rival offers, the price shall be equal to the highest bid.

Early termination of the shareholders' agreement

The parties to the shareholders' agreement have agreed that they may under no circumstances jointly hold more than 30 percent of Ingenico's share capital and/or voting rights.

In the event that, following the acquisition by whatever means of additional shares by one of the parties to the shareholders' agreement, the aggregate shareholdings of the parties were to exceed 30 percent of Ingenico's share capital and/or voting rights, the shareholders' agreement would be terminated by right and without formalities.

Term of the shareholders' agreement

The shareholders' agreement shall continue to be binding on the parties, each of whom shall refrain from entering into any similar agreement with third parties for as long as the aggregate shareholdings of the parties represent at least five percent of Ingenico's share capital or voting rights, and for a period not to exceed 24 months as of November 23, 2006, subject to tacit renewal for successive periods of 12 months, unless any of the parties should terminate the agreement by written notice to the other parties at least three months prior to the date of expiration.

It should, however, be understood that in the event of any duly noted disagreement between the parties as to the joint position they should take at any meeting of this company's shareholders, each party may withdraw from the shareholders' agreement by giving the other parties 20 days prior notice in writing, with the understanding that the provisions governing the right of first refusal shall remain in effect until the 24-month time limit starting November 23, 2006 has expired.

INGENICO SHARE

Listing

Ingenico share is listed on Euronext Paris-Eurolist A and is included in SBF120 indice.

At the end of December 2010, Ingenico share price closed at 27.095 euros and market capitalization reached 1.4 billion euros.

Share price evolution (ISIN : FR0000125346) and volume of transactions over 18 months

Month	High	Low	Volume traded (in million of shares)	Close	Volume (in million euros)	Average
JUNE-09	15,07	13,17	3,12	13,60	43,51	13,97
JULY-09	14,74	11,95	4,01	14,69	53,37	13,29
AUGUST-09	17,30	14,49	2,23	17,10	34,94	15,69
SEPTEMBER-09	19,24	16,35	2,93	19,00	52,37	17,88
OCTOBER-09	19,00	16,15	2,99	16,82	53,63	17,95
NOVEMBER-09	18,00	16,36	1,62	17,46	28,34	17,52
DECEMBER-09	17,94	17,95	1,48	16,96	25,27	17,04
JANUARY-10	17,69	16,71	2,43	17,13	41,54	17,10
FEBRUARY-10	18,45	16,64	2,05	17,50	36,19	17,64
MARCH-10	18,80	17,05	3,34	18,52	60,54	18,11
APRIL-10	20,49	18,44	3,96	18,80	76,74	19,36
MAY-10	19,10	15,76	2,52	16,72	44,16	17,54
JUNE-10	18,08	15,95	2,65	17,61	45,80	17,28
JULY-10	19,70	17,15	1,82	19,40	33,85	18,62
AUGUST-10	19,85	18,52	1,39	19,24	26,58	19,15
SEPTEMBER-10	21,58	19,21	2,12	21,43	43,45	20,53
OCTOBER-10	22,50	20,61	1,87	21,68	40,39	21,57
NOVEMBER-10	24,58	21,30	3,81	22,90	89,18	23,39
DECEMBER-10	28,15	22,90	5,80	27,10	151,30	26,09

LEGAL INFORMATION

General information

Corporate name: Compagnie Industrielle et Financière d'Ingénierie, INGENICO.

Trade name: INGENICO.

Registered office: 192, Avenue du Général de Gaulle, 92200 Neuilly sur Seine.

Date of incorporation and duration: June 10, 1980 for a period of 99 years starting from the date of registration with the Registre du Commerce et des Sociétés, except in the case of early dissolution or of extension, as provided for in the Articles of Association.

Fiscal year: from January 1st to December 31st.

Registration number at the Registre du Commerce et des Sociétés de Nanterre: 317 218 758.

APE code: 6202A.

SIRET number: 317 218 758 00082.

Legal form and applicable legislation: The Company is a French corporation (société anonyme) with a Board of Directors governed by the laws and regulations applicable to commercial companies as set forth in Book II of the French Commercial Code.

Organization chart

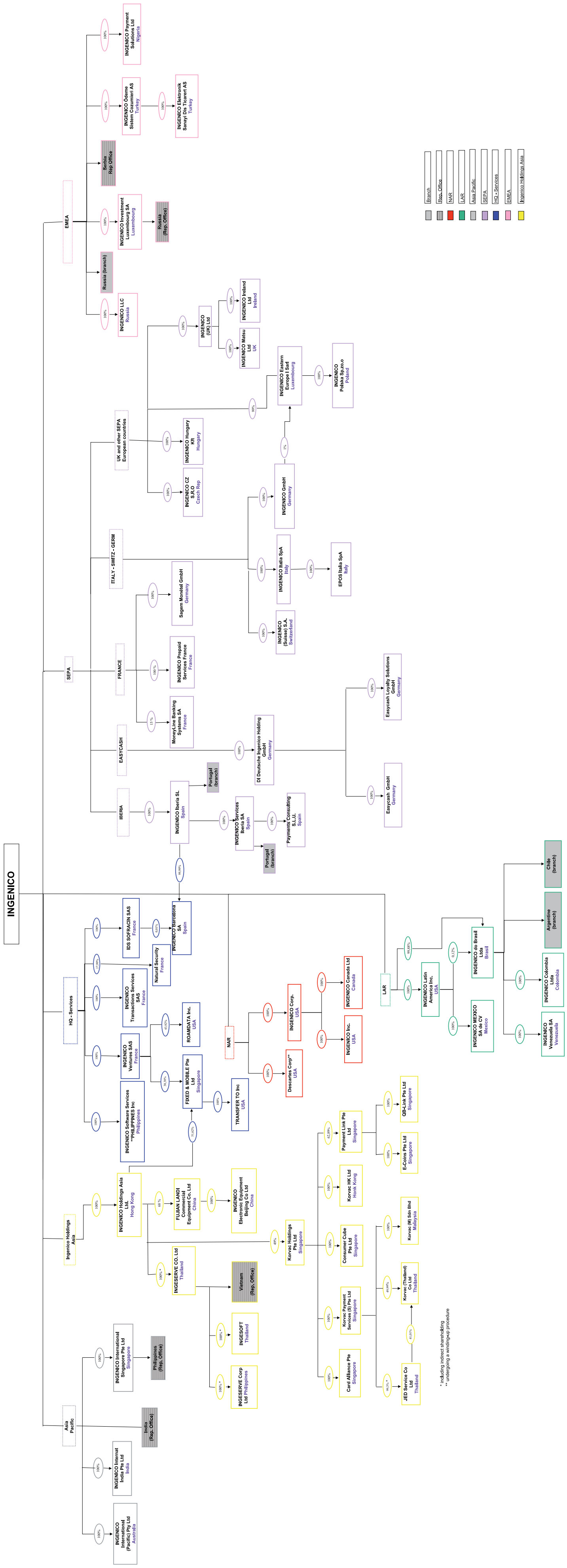
Ingenico, a company incorporated under the laws of France, consolidates all the companies listed in Note 5 to the consolidated financial statements. Directly or indirectly, it holds 100 percent of the share capital and voting rights of its principal operating subsidiaries.

The organization chart on the next page shows the structure of the Group at December 31, 2010.

The percentage of the share capital held in each of these entities is identical to the percentage of voting rights.

INGENICO GROUP ORGANIZATION CHART

(at December 31, 2010)



Articles of Association

The Articles of Association contain no conditions stricter than those set by law for modifying the rights of the shareholders.

Objects (Article 2)

The Company's objects, in France and in any other countries, are to carry on any business of:

- Researching, designing, developing and producing any equipment, systems or devices based on new technologies;
- Designing and/or marketing any equipment and software relating to electronic payment and transfer of funds, urban parking management systems, and public and private telephone systems;
- Developing and/or marketing, including on a hire basis, any systems for transmitting and receiving radio signals of any frequency and kind;
- Operating, through any means and in any form, earth, sea or space telecommunication networks from stationary or mobile stations, on its own behalf or on any third party's behalf;
- Designing software for its own needs or for any third parties' needs;
- Providing consultancy and organization services;
- Providing technical support and maintenance of any and all devices and facilities produced or marketed in connection with any of the Company's objects;
- Representing any companies, both French and non-French, whose productions are related, directly or indirectly, to the above-mentioned objects, including importing or exporting operations.

To carry out these objects, the Company may set up, acquire, exchange, sell, or lease with or without an agreement to sell, and manage and operate, directly or indirectly, any industrial or commercial businesses, plants, worksites, personal or real estate; obtain or acquire and use, sell or contribute any patents, licenses, processes or trademarks; grant any licenses to manufacture or use; and generally carry on any commercial, industrial or financial transactions, both personal and real, that might be directly or indirectly related to, or serve, the Company's objects. The Company may act directly or indirectly, on its own behalf or on any third party's behalf, either alone or in partnership, joint venture or association with any other corporate bodies or individuals and carry on in France or abroad, in any form whatsoever, any businesses falling within the scope of its objects. It may acquire interests or stakes in any French or non-French organizations having similar objects or likely to develop its own business.

Allotment of profits

Deciding, allotment and distribution of profits (Article 22) - For the purpose of forming the statutory reserve fund, an amount of 5 percent shall be drawn from the net annual profit, less any retained losses. Such drawing may be interrupted once said fund equals a tenth of the share capital and it shall be resumed when the fund drops below that fraction for any reason whatsoever, in particular in case of increase in the Company's capital.

The balance, possibly increased by retained earnings, shall constitute the distributable profits.
The following shall be deducted from those profits:

- any amounts the meeting decided to use for depreciation of the Company's assets or to allocate to reserve funds or as retained earnings;
- the amount required to pay an initial dividend, accounting for a 5 percent interest on the capital used for paying up the shares; should profits be inadequate to allow such payment, the shareholders shall not be entitled to claim such dividend in subsequent years;
- the balance, if any, to be distributed among all shareholders as a super-dividend.

The meeting may also decide to distribute amounts drawn from non-statutory reserve funds, either to provide or supplement a dividend or as an extraordinary distribution, in which case the meeting shall specify from which reserve funds the sums shall be drawn.

After approval of the financial statements by the General Meeting, the loss, if any, shall be posted to a special Assets account in order to be charged against subsequent annual profits or wiped off out of reserve funds.

Rules for calling and conditions for attending general meetings of shareholders

Pursuant to Article 19 of the Articles of Association, ordinary, extraordinary and special shareholders' meetings shall be called by the Board of Directors. They may also be convened by the Statutory Auditor, by a representative appointed in emergency cases by a court of law at the request of any interested party, by one or more shareholders holding at least 5 percent of the Company's share capital or by a group of shareholders as defined in Article L. 225-120 of the French Commercial Code.

They may, finally, be convened by the liquidator in the event of early dissolution of the Company.

The general meetings shall be held at the place specified in the notice. This may be the Company's registered office or any other place, if need be, located within a 50-km radius of the registered office.

Notice of meeting shall be given fifteen clear days before the meeting by advertisement in a newspaper entitled to receive legal notices in the département (French territorial division) of the registered office.

However, if all shares are registered shares, notice of meeting shall be given by registered letter individually sent to shareholders to their last known addresses.

If a General Meeting was unable to proceed, failing the required quorum, a second meeting shall be called with at least six clear days' prior notice, in the same manner as the first one. The notice or letters calling the rearranged meeting shall reiterate the date and agenda of the initial meeting.

The initiator of the notice of meeting shall prepare the agenda and resolutions to be submitted to the General Meeting. The Board shall add to the agenda any draft resolutions referred to it either by one or more shareholders representing together at least five per cent of the Company's shares, or by a shareholders' society fulfilling the requirements set forth in Section L.225-120 of the French Commercial Code, or by the works council. The initiators of the request shall supply, in support of their request, any document required by applicable laws and regulations.

The right to attend meetings will be substantiated by entry, on the 3rd day before the meeting, of the shares in the shareholder's name or in the name of the depository registered on the shareholder's behalf either in the registered accounts held by the Company or in the bearer securities trading accounts held by the approved depository.

Shareholders may be represented either by other shareholders or by their spouses. Proxies shall be appointed using a proxy form showing the proxy's name, first name and address and signed. A proxy may not have another person substituting for the proxy. Proxy forms are valid for a single meeting only, or for rearranged meetings called with the same agenda.

If the Board so decides when calling a meeting or sending a notice of meeting, shareholders may also attend and vote at meetings by video conference or telecommunication systems enabling to identify them as provided by law.

At each General Meeting, the attendance sheet shall show the following:

- Name, first name, and place of residence of each shareholder; number of shares they hold and number of votes attached to those shares;

- Name, first name, and place of residence of each proxy; number of shares they hold and number of votes attached to those shares;

- Name, first name, and place of residence of each represented shareholder; number of shares they hold and number of votes attached to those shares.

The attendance sheet shall be signed both by shareholders present and proxies. It shall be certified true by the committee of the meeting. The attendance sheet with appended proxy forms shall be kept at the registered office and submitted on request.

Once properly formed, a General Meeting represents all shareholders. Its resolutions shall be binding on all shareholders, even those absent, dissident or incapacitated. At Ordinary or Extraordinary Meetings, the quorum shall be based on all shares making up the share capital, and at Special Meetings, it shall be based on the shares of the relevant class, less those deprived of voting rights under statutory or regulatory provisions.

Minutes shall be made of the proceedings of General Meetings and signed by the committee members. The minutes shall be either transferred to, or inserted in, a special minute book previously class-marked according to regulatory provisions.

Quorum and majority requirements at Ordinary General Meetings: All shareholders may take part in the proceedings and vote on resolutions, provided the shares they hold have been fully paid up.

For a General Meeting to take valid proceedings, a number of shareholders representing at least a fifth of the share capital must be present. If not, the adjourned General Meeting can take a decision, whatever the number of shares represented, but solely on the agenda of the initial meeting.

The resolutions of the Ordinary General Meeting shall be passed by a majority of votes of the shareholders present or represented, plus one vote. The members of the meeting have as many votes as the shares they hold and represent, without limitation, except at General Meetings called for incorporation purposes where each shareholder has the votes of their principals on the same terms and within the same limits.

However, all fully paid-up shares that have been registered in a single shareholder's name for at least two years shall be granted twice the voting rights conferred on other shares in view of the portion of share capital they represent.

Furthermore, in case of increase in capital out of reserves, retained earnings or premiums, the double voting rights shall be conferred, on issue, on registered shares allotted for free on the basis of old shares entitling the shareholders thereto.

Quorum and majority requirements at Extraordinary General Meetings: Resolutions are passed by a majority of two thirds of the votes of the shareholders present or represented. The members of the meeting have as many votes as the shares they hold and represent, without limitation, except at General Meetings called for incorporation purposes where each shareholder has the votes of their principals on the same terms and within the same limits. However, all fully paid-up shares that have been registered in a single shareholder's name for at least two years shall be granted twice the voting rights conferred on other shares relative to the portion of share capital they represent.

Furthermore, in case of increase in capital out of reserves, retained earnings or premiums, the double voting rights shall be conferred, on issue, on registered shares allotted for free on the basis of old shares entitling the shareholders thereto.

An Extraordinary General Meeting is properly formed and can take valid proceedings when a number of shareholders representing at least a quarter of the share capital are present, failing which a new meeting shall be called as required by law, specifying the agenda, date and outcome of the previous meeting. The reconvened meeting can take valid proceedings if shareholders representing at least a fifth of the share capital are present. Failing a quorum, the reconvened meeting may be adjourned, on the same terms of calling and meeting, to a date within two months of the day the meeting was convened.

Notwithstanding the foregoing and by statutory dispensation, an Extraordinary General Meeting called to decide on an increase in capital out of reserves, retained earnings or premiums may proceed on the terms of quorum and majority of an Ordinary General Meeting.

Quorum and majority requirements at Special General Meetings: Special General Meetings shall be called and shall proceed as provided for by law.

Double voting rights

According to Article 19 of the Articles of Association:

"Subject to the double voting rights attached to all fully paid-up shares registered in a single shareholder's name for at least two years, no clause in the Articles of Association or in the issuer's internal rules of procedure shall have the effect of delaying, deferring or preventing a change in control over the Company.

In case of increase in capital out of reserves, retained earnings or premiums, the double voting rights shall be conferred, on issue, on registered shares allotted for free on the basis of old shares entitling the shareholders thereto."

This provision was included for the first time in the Articles of Association, as resolved by the shareholders at their Extraordinary General Meeting of June 10, 1986, and attached double voting rights to all fully paid-up shares registered in a single shareholder's name for at least five years. Subsequently, at their Meeting of June 8, 1988, the shareholders amended the Articles of Association, reducing the required term for registration in a single shareholder's name from five years to four years, which the shareholders finally reduced further to the current two-year term at their Meeting of September 18, 1998.

Moreover, pursuant to Article L.225-124, Paragraph 1, of the French Commercial Code, any share converted into a bearer share or changing hands shall lose the right to a double vote. Nevertheless, a transfer on succession, or on the partition of property jointly owned by spouses, or a gift inter vivos to a spouse or a relative entitled to succeed to the donor's estate shall not cause the right to be lost, nor shall a transfer on the merger or division of a joint-stock company.

Exceeding a threshold

Article 8 of the Articles of Association provides for the following:

In addition to exceeding the legal thresholds that must be reported both to the Company and the AMF as set out in Section L.233-7 of the French Commercial Code, any individual or legal entity owning a number of shares accounting for over 2 percent of the share capital or any multiple of that rate shall, within 5 trading days of the day each threshold is exceeded, give notice of the total number of shares they own to the Company, by registered letter with return receipt requested. Failing such notice, the shares exceeding the fraction that should have been reported shall be deprived of voting rights at shareholders' meetings, as provided for in law, if failure of notice has been recognized at the time of a shareholders' meeting, and if one or more shareholders, together holding at least 5 percent of the share capital, so request at said meeting. Similarly, any person whose direct or indirect interest drops below each of the abovementioned thresholds shall give notice thereof to the Company in the form and within the period specified above.

Elements liable to affect the price of a public offering

The Company's ownership structure, any agreements of the kind referred to in Article L.233-11 of the French Commercial Code and any direct or indirect holdings in the Company's capital known to the Company by virtue of the applicable provisions on the exceeding of legal thresholds are described in the Capital chapter in the section of this Document on Legal and Financial Information.

The Articles of Association provide for no restrictions on the exercise of voting rights (except for the penalty for failure to disclose the exceeding of a threshold set forth in the Articles of Association) or on the transfer of shares.

There are no shareholders who enjoy special rights of control.

The Company has no employee shareholding arrangements that provide for control mechanisms.

The powers of the Board of Directors and the rules that apply to the appointment and replacement of Board members are described in the Corporate Governance chapter of this Document.

The shareholders are authorized at Extraordinary Meetings to make any decisions and any changes to the provisions in the Articles of Association.

The agreements providing for compensation to directors and executive officers are described in the Corporate Governance chapter of this Document.

The Company has made no agreements that would be modified or terminated in the event of a change of control over the Company.

There are no agreements providing for compensation to employees who resign, are unfairly dismissed or terminated as a result of a public offering.

Documents on display

The Articles of Association and the parent company and consolidated financial statements for the last three fiscal years may be consulted by appointment at the registered office and viewed online at **ingenico.com/en/finance.**

Annual information document

(Information published or made public between January 1, 2010 and January 31, 2011.)

Drawn up in accordance with Article 222-7 of the General Regulation of theAutorité des Marchés Financiers

Half-yearly financial report

July 29, 2010: 2010 H1 results

This document can be viewed online at
www.ingenico.com/en/finance.

Quarterly financial information

April 22, 2010: 2010 Q1 revenue
October 27, 2009: 2010 Q3 revenue

These documents can be viewed online at
www.ingenico.com/en/finance.

Share buybacks

Description of the share buyback program included in the Registration Document at page 191.

Weekly disclosures of trading in own shares:

- Disclosure of trading, January 18–22, 2010
- Disclosure of trading, January 25–29, 2010
- Disclosure of trading, February 1–5, 2010
- Disclosure of trading, February 8–12, 2010
- Disclosure of trading, February 15–19, 2010
- Disclosure of trading, March 22–26, 2010
- Disclosure of trading, May 17–21, 2010
- Disclosure of trading, May 24–28, 2010
- Disclosure of trading, May 31– June 4, 2010

Half-yearly statements on the liquidity contract:

- Liquidity contract statement at June 30, 2010
- Liquidity contract statement at December 31, 2010

These documents can be viewed online at
www.ingenico.com/en/finance/regulated_information.

Annual information document

The Annual Information Document for fiscal year 2009 can be found on page 208 of the 2009 Registration Document.

Press and news releases

January 18, 2011:	Ingenico: Particularly strong performance in Q4 2010
January 6, 2011:	Ingenico strengthens its Management Board
December 21, 2010:	No discussion with Ingenico related to its share capital
December 19, 2010:	The Board of Ingenico acknowledges the current absence of a binding offer on its share capital
December 17, 2010:	Offer regarding the share capital of Ingenico
October 26, 2010:	2010 Q3 Revenue
September 16, 2010:	Strategic Investment of Ingenico in Korvac, a Payment Service Provider in South East Asia
July 29, 2010:	2010 H1 Results
June 30, 2010:	Great success of Ingenico's employee share plans
June 21, 2010:	Ingenico: Implementation of one-for-twenty bonus share allocation
June 9, 2010:	Transforming Ingenico towards profitable growth
May 11, 2010:	Annual General Meeting of shareholders of Ingenico: all resolutions passed
May 5, 2010:	Ingenico acquires Payzone France, a leading prepaid operator
April 22, 2010:	2010 Q1 Revenue
March 22, 2010:	The Paris area transportation company selects Ingenico for its cards payment management
March 17, 2010:	2009 annual results
January 28, 2010:	Guillaume Cerutti joins the Ingenico Board of Directors
January 20, 2010:	2009 annual revenue
January 20, 2010:	Change in the mode of corporate governance.

All of these releases can be viewed online at
www.ingenico.com/finance.

Statements on the submission of documents

- Statement of August 6, 2010 on the submission of the half-yearly financial report at June 30, 2010
- Statement of April 9, 2010 on the submission of the 2009 Registration Document
- Statement of April 2, 2010 on the procedures for providing or consulting preparatory materials for the shareholders' meeting.

These statements were filed with the AMF. They can be viewed in French on the Company website **www.ingenico.com**

Information on the total number of voting rights and shares

This information is filed monthly with the AMF. It can be viewed in French on the Company website,
www.ingenico.com

Fees paid to statutory auditors

The fees paid to the statutory auditors in respect of 2009 can be found on page 164 of the 2009 Registration Document.

Publications in the Bulletin des AnnoncesLégalesObligatoires (Bulletin of Mandatory Legal Notices)

These notices can be viewed on the website
www.legifrance.gouv.fr

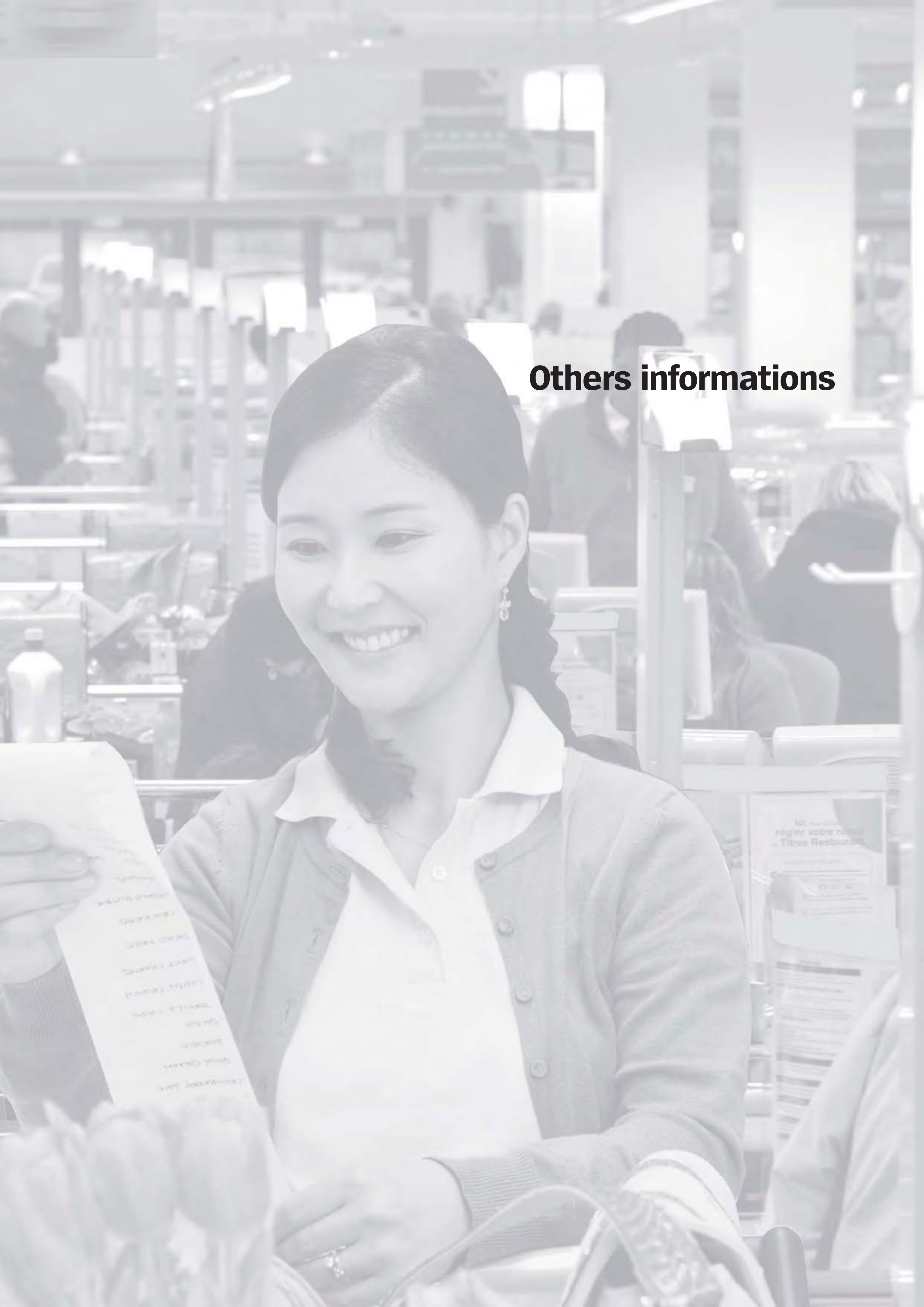
Date de la publication	Object of publication
April 2, 2010	Notice of meeting and invitation to attend the shareholders' meeting of May 11, 2010
May 21, 2010	2009 annual financial statements
July 9, 2010	Notice to holders of stock subscription options
July 28, 2010	Share issuance and quotation

Filings with the Nanterre Commercial Court Registry

All deeds filed can be viewed on the website **www.infogreffe.fr** and consulted at the Nanterre Commercial Court Registry (Greffe du Tribunal de Commerce de Nanterre).

Filing date and number	Object of filing
Filing No.3478 of February 2, 2010	Capital increase and reduction / change of Chairman; change of permanent representative
Filing No.15294 of June 2, 2010	Change of Statutory Auditor
Filing No.15295 of June 2, 2010	Amendments to the Articles of Association
Filing No.18175 of June 25, 2010	Capital increase and updating of the Articles of Association
Filing No.24242 of August 12, 2010	Capital increase and updating of the Articles of Association
Filing No.2133 of January 20, 2011	Capital increase and updating of the Articles of Association

Others informations



PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND THE FINANCIAL STATEMENTS

Attestation of the person responsible for the Registration Document and the financial statements

“I hereby certify that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document, to the best of my knowledge, conforms to the facts and contains no omission likely to affect the fairness of the presentation.”

I have received an audit completion letter from the statutory auditors in which they state that they have verified the information regarding the financial position and financial statements presented in this Registration Document and that they have reviewed the entire Registration Document.

Statutory auditors expressed their opinion on the Group’s consolidated financial statements prepared in accordance with IFRS for the year ended December 31, 2010.

Their report disclosed page 122 brings to your attention the following matters:
“Without qualifying our opinion, we draw your attention to the matters set out in the notes to the consolidated financial statements regarding:

- the position in respect of the outstanding tax assessments concerning your Brazilian subsidiary as of December 31, 2010 (note 27).

- the impact of the adoption of IFRS 3R with effect from January 1, 2010, in particular concerning the acquisition of the additional shareholding in Fixed & Mobile Pte Ltd. (note 12). »

Philippe LAZARE
Chairman and Chief Executive Officer

Persons responsible for financial information

Pierre-Antoine Vacheron, Executive Vice President, Finance and Support (+33 1-46-25-56-16)
Catherine Blanchet, Director of Investor Relations (+33 1-46-25-82-20, finance@ingenico.com)

CROSS-REFERENCE TABLE

The following cross-reference table, in accordance with the Annex I of the Commission Regulation (EC) No 809/2004 dated April 29, 2004 (the "Annex I") indicates the pages of the 2010 Registration Document on which the information corresponding to the subjects mentioned in this Annex I can be found.

ingenico®

beyond payment

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