Interim consolidated financial statements for the half year ended June 30, 2008

CONTENTS

1. INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	June 30, 2007	June 30, 2008
Revenue	**5**	**260,103**	**313,806**
Cost of sales		-170,281	(202,519)
Gross profit		**89,822**	**111,287**
Distribution and marketing costs		(18,157)	(23,234)
Research and development expenses		(19,307)	(28,560)
Administrative expenses		(29,302)	(35,863)
Profit from ordinary activities	**5**	**23,055**	**23,630**
Other operating income	6	3,208	73
Other operating expenses	6	(5,584)	(8,113)
Profit from operations		**20,679**	**15,590**
Net finance costs	7	(4,207)	(1,217)
Income from cash and cash equivalents	7	845	1,458
Other financial income and expenses	7	431	(2,495)
Profit before income tax		**17,748**	**13,336**
Income tax	**8**	(5,345)	(4,153)
Net profit		**12,403**	**9,183**
Attributable to:			
- INGENICO SA shareholders		12,437	9,164
- Minority interests		(34)	19

Earnings per share (in euro)		
Net earnings		
- basic	0,40	0,22
- diluted	0,38	0,22

2. INTERIM STATEMENT OF RECOGNIZED INCOME AND EXPENSES

(in thousands of euros)	Notes	June 30, 2007	June 30, 2008
Translation adjustments	2	1,783	(2,334)
Cash flow and foreign exchange hedges and remeasurement of available-for-sale financial instruments (1)	12/13	(274)	(689)
Net income recognized directly in equity		**1,509**	**(3,023)**
Profit for the period		**12,437**	**9,164**
Total recognized income and expense for the period		**13,946**	**6,142**
Attributable to:			
INGENICO SA shareholders		13,980	6,120
Minority interests		(34)	22

(1) Changes in the value of interest-rate swaps on bank borrowings, changes in the value of the effective portion of foreign exchange forward contracts used to hedge cash flows and changes in the value of available-for-sale investments are recognized in equity.

3. INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

Assets

(in thousands of euros)	Notes	December 31, 2007	June 30, 2008
NON-CURRENT ASSETS			
Goodwill	9	106,324	226,935
Other intangible assets		23,576	101,527
Property, plant and equipment		17,829	23,415
Non-current financial assets		1,295	1,158
Deferred tax assets		19,391	22,427
Other non-current assets		2,338	4,858
Total non-current assets		**170,752**	**380,321**
CURRENT ASSETS			
Inventories	10	52,472	88,232
Trade receivables and related accounts		138,938	181,336
Other current assets		6,917	6,360
Current tax receivables		4,111	4,880
Derivative financial instruments	13	274	271
Short-term investments	12	21,338	11,076
Cash and cash equivalents	12	87,479	65,476
Total current assets		**311,529**	**357,632**
Total assets		**482,281**	**737,952**

Liabilities

(in thousands of euros)		December 31, 2	June 30, 2008
EQUITY	**11**		
Share capital		32,931	47,790
Share premium account		123,581	371,519
Retained earnings and other reserves		36,487	28,010
Translation differences		2,878	545
Equity attributable to INGENICO SA shareholders		**195,877**	**447,864**
Minority interests		**47**	**68**
Total equity		**195,924**	**447,932**
NON-CURRENT LIABILITIES			
Long-term debt	12	84,132	2,089
Provisions for retirement benefit obligations and assimilated commitments	15	6,115	6,874
Other non-current provisions	15	9,387	12,509
Deferred tax liabilities		835	26,253
Other non-current liabilities		1,697	7,509
Total non-current liabilities		**102,166**	**55,233**
CURRENT LIABILITIES			
Short-term borrowings	12	27,142	16,958
Other provisions	15	7,589	9,683
Trade and other current payables		110,260	164,687
Current tax payables		2,280	4,346
Derivative financial instruments	13	1,713	2,491
Other liabilities		35,209	36,623
Total current liabilities		**184,191**	**234,787**
Total liabilities		**286,357**	**290,021**
Total equity and liabilities		**482,281**	**737,952**

4. INTERIM CONSOLIDATED CASH FLOW STATEMENTS

(in thousands of euros)	June 30, 2007	June 30, 2008
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss)	12,403	9,183
Adjustments for:		
Share of profits of associates		
Income tax expense / (income)	5,345	4,153
Depreciation, amortization and provisions	14,232	9,447
Gains/losses on remeasurement at fair value	(79)	899
Gains/losses on disposal of assets	(3,056)	497
Elimination of net interest expense / (income)	2,260	621
Elimination of income from dividends	1	(1)
Share-based payment expense	3,158	4,438
Interest paid	(5,010)	(3,578)
Tax paid	(3,066)	(12,621)
requirements	**26,188**	**13,037**
Change in working capital requirements		
Inventory	2,288	(5,694)
Trade and other receivables	(14,645)	13,941
Trade and other payables	2,173	9,465
Net cash flow from operating activities	**16,005**	**30,749**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of non-current assets	(6,155)	(7,970)
Gains on disposals of non-current assets	3,260	73
Acquisition of subsidiaries, net of cash acquired		675
Disposal of subsidiaries, net of cash disposed of		0
Short-term investments	7,182	9,272
Loans and advances granted	(4)	(261)
Loan repayments received	194	511
Interest received	2,526	1,026
Dividends received	(1)	0
Changes in short-term investments	103	881
Net cash from investing activities	**7,105**	**4,209**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from share issue	3,533	69
Purchase of treasury shares	1	(8,093)
Issuance of debt	45,391	302
Repayment of debt	(58,239)	(32,270)
Changes in other financial liabilities	(29)	591
Change in value of hedging instruments		
Payment of cash dividends	(3,161)	(10,771)
Net cash flow from financing activities	**(12,504)**	**(50,172)**
Effect of changes in exchange rates	575	(1,096)
Equity component of convertible bonds		(3,061)
Change in cash and cash equivalents	**11,180**	**(19,372)**
Cash and cash equivalents at beginning of period	43,246	70,096
Cash and cash equivalents at end of period (1)	54,427	50,724

Comments

(1) Cash and cash equivalents		
UCITS (only portion readily convertible into cash)	33,444	28,499
Cash on hand	37,012	36,977
Bank overdrafts	(16,030)	(14,752)
Total cash and cash equivalents	**54,427**	**50,724**
UCITS (portion qualifying as short-term investments) recognized at fair value through profit and loss	44,179	4,763
Assets held for sale	8,046	6,313
Total cash and cash equivalents and short-term investments	**106,652**	**61,800**

5. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. THE COMPANY

The preceding consolidated financial statements present the financial position of the company INGENICO and its subsidiaries (collectively referred to as “the Group”), together with the Group’s share in the profits of associated companies and joint ventures. INGENICO is a publicly listed company incorporated under French law, with its registered office in Neuilly-sur-Seine.

The interim condensed consolidated financial statements were approved by the Board of Directors on August 27, 2008.

2. ACCOUNTING PRINCIPLES AND METHODS

The consolidated financial statements for the half year ended June 30, 2008 were drawn up in accordance with International Financial Reporting Standards (IFRS), and its interpretations as adopted by the European Union at June 30, 2008.

The interim condensed consolidated financial statements were compiled in accordance with International Financial Reporting Standard IAS 34, Interim Financial Statements. They do not include all the information required for complete annual financial statements and should be read in conjunction with the Group’s financial statements for the year ended December 31, 2007.

The accounting methods applied to these interim financial statements identical to used in the financial statements for the year ended December 31, 2007.

Translation of financial statements expressed in foreign currency

The conversion rates for the main currencies used by the Group in fiscal year 2007 and for the first half-years of 2007 and 2008 are as follows:

Closing rate	June 30, 2008	December 31, 2007
U.S. dollar	1,5764	1,4721
Canadian dollar	1,5942	1,4449
Australian dollar	1,6371	1,6757
British pound	0,7923	0,7334
Brazilian real	2,5112	2,6075

Average rate	June 30, 2008	June 30, 2007
U.S. dollar	1,5309	1,3294
Canadian dollar	1,5403	1,5082
Australian dollar	1,6545	1,6443
British pound	0,7753	0,6747
Brazilian real	2,5947	2,7179

Estimates

In preparing these interim financial statements, Group management was led to exercise a fair amount of judgment and to make use of assumptions and estimates affecting the application of the accounting methods, the assets and liabilities recorded on the balance sheet, and the income and expenses in the income statement. Actual results may differ materially from estimates and assumptions.

The cases in which management exercised a significant degree of judgment in applying the accounting methods adopted by the Group in these interim financial statements and the main sources of uncertainty regarding estimates are the same as those described in the consolidated financial statements for the year ended December 31, 2007.

3. CONSOLIDATION SCOPE

Corporate name	Address	Country	% held by Ingenico SA	Accounting method
PARENT COMPANY				
INGENICO SA	192, avenue Charles de Gaulle 92200 Neuilly sur Seine Cedex	France		
CONSOLIDATED SUBSIDIARIES				
IDS SOFRACIN S.A.	192, avenue Charles de Gaulle 92200 Neuilly sur Seine Cedex	France	100,00%	FC
Moneyline Banking Systems	183, avenue Georges Clémenceau 92024 Nanterre Cedex	France	99,99%	FC
Moneyline Ventures	183, avenue Georges Clémenceau 92024 Nanterre Cedex	France	99,96%	FC
Cash Solutions	77, bvd Gambetta 59055 Roubaix	France	67%	FC
SAGEM MONETEL	1, rue Claude Chappe BP 346 - 07503 Guilherand-Granges Along with its wholly owned subsidiaries in Germany and the U.K. and its Brazilian subsidiary (81.77% stake)	France	100%	FC
INGENICO GmbH	Ingenico GmbH Pfalzburger Straße 43-44 10717 Berlin *Along with its wholly owned EPSOS EFT / POS Service GmbH subsidiary*	Germany	100%	FC
INGENICO INTERNATIONAL (PACIFIC) PTY Ltd	6 Prosperity Parade - Warriewood NSW 2102 *Along with its wholly owned subsidiaries Europa Ltd and INGENICO New Zealand*	Australia	100%	FC
Ingenico International (S) Pte Ltd	390 Havelock Road #03-03 King's Centre Singapore 169662	Singapore	100%	FC
Ingenico Japan K K	3-7-403 Kita - Aoyama 3 - Chome Minato-ku Tokyo	Japan	100%	FC
INGENICO UK Ltd	Ridge Way - Donibristle Industrial Estate Dalgety Bay - Dunfermline FIFE JY11 5JU - Scotland *Along with its wholly owned subsidiary INGENICO Ireland*	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 wholly owned U.S. and Canadian subsidiaries*	U.S.A.	100%	FC
INGENICO IVI INC	9155 South Date Land Blvd Suite 1408 Miami Florida 33156 *Along with its wholly owned Mexican subsidiary*	U.S.A.	100%	FC
Descartes Inc	6 Colonial Lake Drive Lawrenceville - New Jersey U.S.A.	U.S.A.	99%	FC
INGENICO DO BRASIL LTDA	Rua Tomé de Souza, 15-8 floor Sao Bernardo do Campo - Sao Paulo *Along with its wholly owned subsidiaries and sales offices in Colombia, Venezuela, Argentina and Chile*	Brazil	100%	FC
Sagem Defesa e Segurança do Brasil Ltda	Rua Ramos Batista, 198, 14° Andar 04552-020 Sao Paulo Brasil Direct equity stake of 18.23% and indirect equity stake of 81.77% via Sagem Monetel	Brazil	100%	FC
INGENICO ITALIA SpA	Via Stephenson 43/a - 20157 Milano *Along with the wholly owned EPOS Italia SpA subsidiary*	Italy	100%	FC
INGENICO ELECTRONIC EQUIPMENT CO Ltd	C/D 8F, Block B Wangjing Tower No. 9 Wangjing Zhong Huan Nan Rd., Beijing, China 100102	China	100%	FC
INGENICO KOREA	Woorim Lion's Valley Road - A606B 371-28 Gasan-Dong Geumchun-Gu Seoul Korea Postal Code 153-786	South Korea	100%	FC
INGENICO Software Services Philippines Inc.	15 & 17 Floors Pearl Bank Center 146 Valero, Salce do Village Mkt Philippines	Philippines	100%	FC
Auto Gain Hong Kong Ltd.	3806 Central Plaza, 18 Harbour Road, Wanchai, Hong Kong Along with its Chinese subsidiary (55% stake)	China	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 INGENICO Polska subsidiary	Luxembourg	80%	FC
INGENICO INVESTMENT Luxembourg SA	10 bd Royal L2449 Luxembourg	Luxembourg	100%	FC
INGENICO CIS	Godovikova Street, 9 - 119085, Moscow - Russia	Russia	100%	FC
SAGEM DENMARK A/S	Fabriksparken 20 - DK 2600 Glostrup - Denmark Along with its wholly owned Finish subsidiary and 50.13% owned Norwegian sales office	Denmark	100%	FC
Planet Ödeme System	ITU Ayazaga Kampuzu Ari 2 Binasi B blok N° 6/1 Koruyolu 34469 Maslak Istambul Along with its wholly owned Planet Elektronik Sanayi subsidiary	Turkey	100%	FC

4. ACQUISITIONS AND DIVESTITURES

Acquisitions

4-1) Acquisition of Sagem Sécurité's Payment Terminals business from Safran Group

Details of the transaction

On July 16, 2007, Ingenico and Sagem Sécurité, a subsidiary of the international high-technology group Safran, entered into exclusive negotiations with the aim of combining their electronic payment solutions activities to create a global leader in their industry.

On December 3, 2007, Ingenico signed a contribution agreement with the Safran Group subsidiary, Sagem Sécurité.

Under the terms of the agreement, Sagem Sécurité brought to Ingenico its payment terminals activities operated by its subsidiaries Sagem Monétel and Sagem Denmark.

On March 14, 2008, the Extraordinary General Meeting of Ingenico shareholders approved the transfer to Ingenico of the payment terminals business of the Safran Group subsidiary, Sagem Sécurité. In consideration for this contribution in kind, Sagem Sécurité received 10,663,046 new shares representing 22.37% of the shares in issue.

Furthermore, Sagem Sécurité undertakes to maintain its shareholding at its current level for 12 months and not to sell its shares for a period of 24 months after conclusion of the transaction.

The Shareholders' General Meeting also appointed new members to the Board of Directors. The Board now comprises 13 members, of whom seven will be chosen from those representing Ingenico's current shareholders, four will be proposed by Sagem Sécurité and two will be independent.

__Purchase price__

The purchase price paid by Ingenico in consideration for the Sagem Payment Terminals business was computed as the sum of the following elements:

- The fair value of Ingenico equity instruments transferred on the March 14, 2008 transaction date, in the amount of €202,598,000;
- Cash payment, in the amount of €4,857,000;
- Provision for contractually agreed price adjustments, in the amount of €942,000;
- Acquisition-related expenses, in the amount of €4,715,000, covering the fees of the various external service providers.

The total purchase price thus amounted to €213,111,000.

__Consolidation scope__

Sagem Payment Terminals business comprises the following companies:

Sagem Monétel SA (France)

Sagem Defesa e Segurança do Brasil (Brazil)

Sagem Denmark (Denmark)

Manison (Finland)

Mynt Betal (Norway)

Sagem Monétel GmbH (Germany)

Matsu (United Kingdom)

The results of the Sagem Payment Terminals business were included in Ingenico's consolidated financial statements with effect from April 1, 2008. Ingenico's consolidated income statement for the period ended June 30, 2008 therefore includes three months of Sagem Payment Terminals' results. A pro forma income statement for the period January 1 to June 30, 2008 is presented in note 18 hereunder.

__Goodwill__

The contribution in kind made by Sagem Payment Terminals to Ingenico was valued at €208,396,000. After deducting acquisition-related expenses (€4,715,000), the business combination was accounted for based on a purchase price of €213,111,000 for the shares of Sagem Payment Terminals.

Goodwill resulting from the preliminary purchase price allocation amounted to €105,574,000.

4-2) Acquisition of Fujian Landi

On June 25, 2008, Ingenico acquired a 55% equity interest in Fujian Landi, one of the leading Chinese transaction solutions providers and manufacturers of point-of-sale terminals. Privately owned, Fujian Landi, based in Fuzhou and present in 23 provinces and municipalities of China, has been a pioneer in payment terminals in the People's Republic of China since its creation in 1992. The company posted revenue of approximately €18 million in 2007. The transaction involved the acquisition of the entire share capital of the Auto Gain Hong Kong company, the owner of the Fujian Landi shares. To take account of the call option granted in respect of the remaining 45% of Fujian Landi shares that Ingenico does not already own, the financial statements at June 30, 2008 are shown as if Ingenico had acquired the entire share capital of Fujian Landi.

Acquisition

Under the terms of the transaction, the acquisition was paid in cash for a total amount of €17.05 million (€10,841,000).

The memorandum of understanding entitles the seller to a put option for the sale of the remaining 45% of the share capital of Fujian Landi. This put option was recorded in the financial statements of Ingenico for the amount of USD 14,574,000 or €9,245,000.

The total purchase price for the shares purchased amounted to €20,544,000.

Consolidation scope

The acquired group comprises the following companies:

- Auto Gain Hong Kong
- Fujian Landi Commercial Equipment Co

Fujian Landi was included for the first time in the consolidation scope of Ingenico with effect as from June 30, 2008. The consolidated income statement of Ingenico at June 30, 2008 does not include the results of operations of the acquired entity for the first half of 2008.

Goodwill

After deducting acquisition-related expenses, the business combination was accounted for based on the purchase price for the shares of the acquired entity and the call option for the remaining shares not already owned by Ingenico in an amount of €20,544,000. Goodwill before preliminary purchase price allocation amounted to €15,098,000. The definitive purchase price allocation will be finalized in the second half of 2008.

Divestitures

No subsidiaries or operations were divested during the period ended June 30, 2008.

5. SEGMENT INFORMATION

The primary criterion for reporting, namely segmentation by geographical region, reflects the Group's management structure.

- Northern Europe (Germany, United Kingdom, etc.);
- Southern Europe (France, Spain, Italy, etc.);
- Asia-Pacific;
- North America (United States, Canada, etc.);
- Latin America;
- Central Europe, Africa and the Middle East.

(i) Breakdown of segment profit or loss

At June 30, 2008

Breakdown of segment profit or loss (in thousands of euros)	Northern Europe	Southern Europe	Asia-Pacific	North America	Latin America	CEMEA	Unallocated	Elim.	Consol.
External revenue	49,941	80,524	22,918	48,618	50,796	61,010			***313,806***
Intra-group revenue	*1,255*	115,274	*743*	*111*	3,112	761		(121,256)	
Total revenue	***51,195***	***195,798***	***23,661***	***48,729***	***53,908***	***61,771***		***(121,256)***	***313,806***
Profit from ordinary activities	3,463	8,548	3,124	(2,405)	2,016	5,716	3,168		***23,630***
Profit from operations	3,287	7,445	3,062	(2,424)	2,002	4,800	(2,583)		***15,590***
Total finance costs									***(2,254)***
Income tax									***(4,153)***
Profit for the period									***9,183***
Attributable to Ingenico SA shareholders									***9,164***

At June 30, 2007

Breakdown of segment profit or loss (in thousands of euros)	Northern Europe	Southern Europe	Asia-Pacific	North America	Latin America	CEMEA	Unallocated	Elim.	Consol.
External revenue	45 486	70 774	19 695	45 381	52 310	26 457			***260 103***
Intra-group revenue	*1 132*	142 505	*2 323*	*493*	15 658			(162 111)	
Total revenue	***46 618***	***213 279***	***22 018***	***45 874***	***67 968***	***26 457***		***(162 111)***	***260 103***
Profit from ordinary activities	2 383	8 712	(1 721)	3 178	5 792	4 331	382		***23 055***
Profit from operations	1 629	7 892	(310)	3 083	5 793	3 787	(1 195)		***20 679***
Total finance costs									***(2 931)***
Income tax									***(5 345)***
Consolidated net profit / (loss)									***12 403***
Attributable to Ingenico SA shareholders									***12 437***

6. OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses include:

(in thousands of euros)	June 30, 2007	June 30, 2008
Restructuring costs	(3,864)	(7,594)
Litigation expenses and costs related to quality	(468)	73
Impact of applying the new inventory depreciation method		
Gains / (losses) on disposal of assets	1,992	
Goodwill impairment		
Disposal or retirement of plant, property and equipment or intangible assets	(2)	(500)
Other	(33)	(18)
Total	**(2,376)**	**(8,040)**

Other operating income and expenses for the six months ended June 30, 2008 include primarily:

- Restructuring charges incurred in connection with the disposal, discontinuation or reorganization of a consolidated business, together with the cost of measures for the benefit of employees affected by workforce adjustment measures (Ingenico Barcelona: €6 million essentially in connection with the redeployment of R&D activities within the Group).

- Losses on retirement of non-current assets in France.

Other operating income and expenses for the period ended June 30, 2007 include primarily:

- Restructuring charges incurred in connection with the disposal or discontinuation of a consolidated business (discontinuation of the Japanese subsidiary: €1,322,000), together with the cost of measures for the benefit of employees affected by workforce adjustments (essentially in France and United Kingdom: €2,274,000).
- Commercial and other litigation income and expenses.
- A net gain of €1,992,000 on the disposal of Europa's on-board taxi automation business.

7. NET FINANCE COSTS

(in thousands of euros)	June 30, 2007	June 30, 2008
Interest expense on convertible bonds	(1,971)	
Other interest expense	(2,236)	(1,217)
Gross borrowing costs	**(4,207)**	**(1,217)**
Income from cash and cash equivalents	845	1,458
Net financing costs	**(3,362)**	**241**
Foreign exchange gains	1,950	10,971
Foreign exchange losses	(3,046)	(13,950)
Foreign exchange gains / (losses)	**(1,096)**	**(2,979)**
Gains on interest rate swaps	254	130
Gains / (losses) on investment transactions (value adjustments, disposals)	1,189	(179)
Other financial income	298	878
Other financial expenses	(214)	(345)
Other financial income and expenses	**1,527**	**484**
Total finance costs	**(2,931)**	**(2,254)**

For the first half of 2008, the breakdown of net finance costs is as follows:

Net financing costs (net gain) primarily attributable to interest expenses for the new financing arrangements (€150 million) set up in May 2007 in the form of two lines of credit. At June 30, 2008, the Group had made no use of these credit lines. The income from cash and cash equivalents corresponded to interest revenue earned on cash equivalents and short-term investments.
The decrease in net interest expense resulted from significant debt repayments made by the Group in the last year.
A net gain of €220,000 was recorded under other financial income in connection with the conversion and redemption of OCEANE convertible bonds.

For the first half of 2007, the breakdown of net financing costs is as follows:

Net financial costs include:
- Interest expense on "Oceane"-type convertible bonds;
- Interest expense, primarily on medium-term loans and bank credit facilities contracted by the parent company in mid-2005, which were fully repaid in May 2007, and on the new financing facility (€150 million) set up in May 2007 which comprises two credit lines (€45 million of which were drawn down at the June 30, 2007 reporting date) and bank credit facilities.

Income from cash and cash equivalents consists of interest on cash equivalents and short-term investments.
Net foreign exchange losses came to €1,096,000, including a loss of €550,000 following the payment of interim intra-Group dividends.

Other interest income and expenses totaled €1,527,000, including €1,189,000 for disposals and adjustments to the value of investment income.

8. INCOME TAX EXPENSE

Income tax expense for the period

(in thousands of euros)	June 30, 2007	June 30, 2008
Income tax for the period	(7,896)	(6,089)
Deferred tax	2,550	1,936
Total	**(5,345)**	**(4,153)**

For the six months ended June 30, 2008, the effective income tax rate for consolidated companies stood at 31.14% (as against 30.12% for the six months ended June 30, 2007).

At end-June 2008, the Group's tax liability for the period consisted essentially of tax due in France (Sagem Monetel), Italy and Spain.
Deferred tax mainly reflects updated earnings estimates for the Group's subsidiaries and affiliates. It was possible to set off tax loss carryforwards recognized in Australia against tax liabilities in France

9. GOODWILLS

Goodwill

(in thousands of euros)	December 31, 2007	June 30, 2008
At January 1	**89,987**	**106,324**
Investments	21,737	120,673
Disposals		
Impairment losses	(2,577)	
Translation differences	416	(61)
Other	(3,239)	
At June 30	**106,324**	**226,935**

Breakdown of goodwill

	December 31, 2007			June 30, 2008		
(in thousands of euros)	Gross carrying amount	Accumulated impairment losses	Net carrying amount	Gross carrying amount	Accumulated impairment losses	Net carrying amount
North America	55,434		55,434	55,434		55,434
Ingenico Luxembourg	53		53	53		53
Asia	3,284	(376)	2,908	18,382	(376)	18,006
INGENICO Italy	814	(96)	718	814	(96)	718
INGENICO Ireland Ltd	919	(107)	813	833	(81)	752
EUROPA Pty Ltd	4,417	(4,417)		4,521	(4,521)	
INGENICO Switzerland	1,797	(1,000)	797	1,797	(1,000)	797
Moneyline Banking System	2,834	(500)	2,334	2,834	(500)	2,334
Moneyline Retail	21,114		21,114	21,114		21,114
INGENICO Turkey	22,153		22,153	22,153		22,153
Sagem Terminaux				105,574		105,574
Total	**112,819**	**(6,495)**	**106,324**	**233,509**	**(6,574)**	**226,935**

The increase in goodwill was attributable to the acquisitions completed in the first half of 2008:

- **Acquisition of Sagem Payment Terminals**

Goodwill

The preliminary allocation of the purchase price for Sagem Payment Terminals acquisition has been carried out and a definite purchase price allocation will be made within 12 months from the date at which Ingenico acquired control of the company. The following items are most likely to be the subject of adjustments:

- Fair value of acquired assets and liabilities: further accounting analysis could give rise to adjustments to the opening balance sheet;

- Harmonization of the accounting methods of Sagem Payment Terminals with those of Ingenico. This work was commenced in the first half of 2008 and is due to be completed in the second half of the year;

- Acquisition costs arising from the transaction: Ingenico recorded a provision for accrued expenses not yet billed based on a reasonable estimate of costs committed to date.

After the preliminary purchase price allocation, goodwill amounts to €105,574,000.

Ingenico believes that the potential adjustments arising from the above items are unlikely to lead to significant restatement of the opening balance sheet of Sagem Payment Terminals, as included in the consolidated financial statements of the Group at June 30, 2008.

(1) The fair value of intangible assets was determined based on the business plan and was conducted by outside valuation consultants.

The fair value appraisal process led to the recognition of intangible assets that were not recorded in the financial statements of Sagem Payment Terminals, in the amount of €82.5 million:

Client portfolio: €36.6 million amortizable over 10 years.

Established customer relationships with direct clients (in particular, banks and retailers providing electronic payment terminals for use by their customers) and indirect clients (banking and retail sector customers).

Existing hardware technology: €11.6 million amortizable over 3 years.

Hardware technology corresponds to the electronic payment terminal device for the new generation "Telium" line and its related accessories. The "Telium" line comprises a complete range of payment terminals using wireless, radio frequency and GSM/GPRS technologies.

Existing software technology: €5.8 million amortizable over 3 years.

Software technology corresponds to the technology developed by Sagem Payment Terminals for the "Telium" operating system.

Software applications: €11.3 million amortizable over 5 years.

In addition to the “Telium” operating system, Sagem Payment Terminals has developed a library of over 400 software applications which are tailored to meet specific customer requirements in the areas of payment processing, healthcare provision and customer loyalty schemes.

Hardware technology under development: €11.0 million amortizable over 5 years.

This item corresponds to the “Telium II” line of new generation payment terminals due to be launched in January 2009.

Software technology under development: €6.1 million amortizable over 5 years.

This technology essentially comprises the “Telium II” operating system along with two projects for the development of new screen interfaces.

Deferred tax liabilities arising from these adjustments amounted to €28.4 million.

(2) Valuation of inventories at fair value

Inventories were remeasured at fair value to take into account the difference between the selling price of these assets less the reasonable costs of completion, selling expenses and a reasonable profit allowance for the remaining selling efforts. Valuations were conducted in respect of each country, product family and product type and resulted in a €5.6 million fair value adjustment to inventory. The deferred tax liabilities arising from this adjustment amounted to €1.9 million.

(3) Goodwill

The contribution in kind made by Sagem Payment Terminals to Ingenico was valued at €208.4 million. After deducting acquisition-related expenses in the amount of €4.7 million, the business combination was accounted for based on a purchase price for Sagem Payment Terminals of €213.1 million and goodwill after preliminary purchase price allocation of €105.6 million.

(in millions of euros)	March 31, 2008	
Book value of the net assets of Sagem Payment Terminals	-	57.1
Elimination of goodwill associated with Sagem Payment Terminals	-	(5.3)
Adjusted value of the net assets acquired	-	51.8
Acquisition costs	-	213.1
Goodwill before preliminary allocation	-	161.3
Fair value of inventories	-	5.6
Fair value of intangible assets	-	82.5
Fair value of other assets liabilities acquired	-	(3.1)
Deferred tax impact of fair value adjustments	-	(29.3)
Unallocated goodwill	-	105.6

Preliminary allocation of goodwill arising from the Sagem Payment Terminals acquisition

(in thousands of euros)	Amounts identified and allocated	Amortization in H1 2008	Net amounts at end June 2008
Intangible assets			
Concessions, patents & similar rights			
In-process hardware and software technology	17 150		17 150
Existing hardware and software technology	17 358	(1 447)	15 912
Software applications	11 345	(567)	10 778
Other intangible assets			
Long-term client contracts	36 643	(916)	35 727
Total intangible assets	**82 497**	**(2 930)**	**79 567**
Inventories	5 587	(5 587)	
Total identified and allocated assets	**88 084**	**(8 517)**	**79 567**
Recognized deferred tax liabilities	**30 308**	**(2 845)**	**27 463**
Total identified and allocated assets net of deferred tax liabilities	**57 776**	**(5 672)**	**52 104**

- **Acquisition of Fujian Landi**

Goodwill

Goodwill before preliminary allocation amounted to €15,098,000. The definitive purchase price allocation will be finalized in the second half of 2008.

10. INVENTORIES

(in thousands of euros)	December 31, 2007	June 30, 2008
Raw materials and consumables	11,785	15,930
Finished products	50,816	92,179
Depreciation on raw materials and consumables	(4,065)	(5,116)
Depreciation on finished products	(6,064)	(14,762)
Net total	**52,472**	**88,232**

The increase in inventories was primarily attributable to the first-time consolidation of Sagem Payment Terminals. The first-time consolidation of Sagem Payment Terminals also contributed to the increases in receivables and current liabilities.

11. CONSOLIDATED EQUITY

(in thousands of euros)	Share capital	Issue and contribution premiums	Translation differences	Effective portion of hedging instruments	Treasury shares	Retained earnings and other reserves	Total consolid. equity	Minority interests
Balance at January 1, 2007	**32 109**	**117 014**	**2 746**	**440**	**(11 986)**	**6 529**	**146 852**	**45**
Dividends paid to shareholders (1)		(3 161)					(3 161)	
Reinvestment of stock dividends (2)	113	1 868					1 981	
Treasury shares (3)					(991)		(991)	
Share-based payments and exercise of stock options (4)	438	1 727			648	5 791	8 604	
Buyback of OCEANE bonds, equity components (5)						(6 082)	(6 082)	
Conversion of OCEANE bonds, equity components (5)					1 507	246	1 753	
Deferred tax recognized in equity on buyback and conversion of OCEANE bonds and IFRS 2 expenses						2 300	2 300	
Changes in equity related to asset/liability transfers from Lexem, DSI, SCI		823				(823)		
Changes in equity related to acquisition of Planet Oedeme (Turkey)	271	5 310					5 581	
Total gains / (losses) recognized for the period			132	(1 298)		40 214	39 047	47
Other					(1)	(7)	(8)	(45)
Balance at December 31, 2007	**32 931**	**123 581**	**2 878**	**(858)**	**(10 823)**	**48 168**	**195 877**	**47**
Dividends paid to shareholders (1)						(10 771)	(10 771)	
Treasury shares (3)					(7 240)	(541)	(7 781)	
Share-based payments and exercise of stock options (4)	134	1 284			7 140	(2 703)	5 856	
Buyback of OCEANE bonds, equity components (5)						(3 061)	(3 061)	
Conversion of OCEANE bonds, equity components (5)	4 063	54 984			223		59 270	
Sagem Monetel share issue (6)	10 663	191 670					202 333	
Total gains / (losses) recognized for the period			(2 334)	(143)		8 618	6 142	19
Other								3
Balance at June 30, 2008	**47 791**	**371 519**	**544**	**(1 002)**	**(10 700)**	**39 710**	**447 864**	**68**

2007:
(1) Dividend paid on June 12, 2007.
(2) Issue of 113,418 shares in connection with payment of a stock dividend.
(3) Sale of treasury shares: increase relating to the cancellation of treasury shares held by the Company.
At January 1, 2007, the Company held 782,829 treasury shares. At December 31, 2007, the Company held 634,332 treasury shares acquired under the authorizations given by the Shareholders' General Meetings.
(4) Share-based payments:

- The increase in retained earnings reflects the fair value of stock options and bonus shares granted and recognized each year in administrative expenses and other operating income and expenses;
- The increase in share capital and share premium reflects the exercise of share subscription options.

(5) Changes in equity relating to the buyback and conversion of OCEANE bonds (December 2007).
(6) Acquisition of Planet: issue of 271,064 new shares. The share premium amounted to €5,310,000 after allocation of issuance expenses of €420,000.

2008:
(1) Dividend payout of May 27, 2008.
(3) On January 1, 2008, the Company held 634,332 treasury shares. On June 30, 2008, the Company held 583,778 treasury shares, acquired under authorizations granted at shareholders' meetings.
(4) Share-based payment: The increase in retained earnings and other reserves reflects the fair value of options and bonus share awards. The increase in the share capital and share premium reflects the exercise of share subscription options. 133,332 new shares were created for this purpose in the period ended June 30, 2008.
(5) Changes in the share capital arising from the redemption (January 2008) and conversion of OCEANE convertible bonds (February 12, 2008): 4,063,216 new shares were created upon conversion of bonds.
(6) Share issue of March 14, 2008 made in connection with the acquisition of Sagem Payment Terminals. The acquisition was realized through a transfer of shares and involved the creation of 10,663,046 new shares.

Shares outstanding

(number of shares)	2007	2008
Shares issued at January 1	**32,108,576**	**32,930,070**
Shares issued in connection with options exercised and dividend payout (in 2007)	391,320	133,332
Shares issued on February 12, 2008 in connection with the conversion of Oceane bonds		4,063,216
Shares issued on March 14, 2008 in connection with the Sagem Payment Terminals acquisition		10,663,046
Shares issued at June 30	**32,499,896**	**47,789,664**
Treasury shares at June 30	**710,580**	**583,778**
Number of outstanding shares at June 30	**31,789,316**	**47,205,886**

INGENICO’s shares have a par value of €1 per share.

Treasury shares

In the first half of 2008, the Company took advantage of stock market conditions to purchase its own shares. At December 31, 2007, the portfolio of treasury shares amounted to 634,332 shares. The portfolio comprised 583,778 shares at June 30, 2008 as a result of:

- The retirement of 432,072 shares reserved for distribution under bonus share schemes due to expire;
- The retirement of 16,882 shares earmarked to satisfy bondholders’ requests for the conversion of OCEANE bonds into existing shares;
- The repurchase of 442,900 shares, including 192,900 shares set aside for distribution under bonus share award schemes and 250,000 shares to be cancelled in connection with the share capital reduction.

At December 31, 2007, the Company’s portfolio of treasury shares held under a market liquidity contract amounted to 89,500 shares. At June 30, 2008, the portfolio comprised 45,000 shares following the net sale of 44,500 shares.

Stock subscription option plans and bonus share awards

Bonus share awards

New bonus share award schemes were set up in the first half of 2008:

- On January 23, 2008, the Board of Directors awarded 605,000 bonus shares pursuant to the authorizations of the general meeting of shareholders in force at that date.
- On March 14, 2008, the Board of Directors awarded 115,000 bonus shares pursuant to a new authorization granted by the extraordinary shareholders meeting of March 14, 2008.
- On May 23, 2008, the Board awarded 15,000 bonus shares to a member of the Executive Board.
- On June 27, 2008, the Board awarded 10,000 bonus shares to the Chairman, Mr. Jacques Stern.

The number of bonus shares vested during the period amounted to 432,072 and a further 20,096 shares were cancelled. The number of bonus shares existing at June 30, 2008 was 930,289.

Share subscription options

No new share subscription option plans were set up during the first half of 2008. Given the options exercised (133,332) and the departures of grantees (8,042) during the period, the number of options existing at June 30, 2008 amounted to 559,012 (A, C, F and H option plans).

Fair value of options granted

INGENICO measured the fair value of the goods and services received during the period based on the fair value of the equity instruments granted.

Impact on financial statements

On the basis of the parameters used to calculate fair value, administrative costs and other operating costs recognized in connection with stock options and bonus share awards amounted to €4.4 million for the first half of 2008 and were charged to profit from ordinary activities.

12. NET DEBTS

For the INGENICO Group, net debt consists of short-term and long-term financial liabilities, short-term investments and cash and cash equivalents.

At June 30, 2008, the Group’s net debt position reflected a surplus. This resulted from two key events:
- Early redemption and conversion of OCEANE bonds
- Substantial reduction in debt

(in thousands of euros)	December 31, 2007	June 30, 2008
Cash and cash equivalents	87,479	65,476
Short-term investments	21,338	11,076
Financial debt	(111,273)	(19,047)
Net debt	**(2,457)**	**57,506**

Short-term investments in the amount of €11,076,000 pertain to current financial assets used for cash management purposes, and include €4,762,000 in investments which are carried at fair value. The remaining €6,313,000 in investments is classified as available-for-sale assets (see “Accounting principles and methods”).

Breakdown of cash and cash equivalents and short-term investments

(in thousands of euros)	Dec. 31, 2007	June 30, 2008
Cash and cash equivalents	42,811	36,977
UCITS classified as cash	44,668	28,499
Cash and cash equivalents	**87,479**	**65,476**
UCITS classified as investment	21,338	11,076
Cash and short-term investments	**108,817**	**76,552**

UCITS are classified as cash equivalents when they meet the requirements set forth in IAS 7. Otherwise, they are classified as short-term investments.

Breakdown of financial liabilities

Financial liabilities are 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)	Dec. 31, 2007	June 30, 2008
Bonds convertible into or exchangeable for new or existing shares (OCEANE)	56,302	
Bank borrowings	151	154
Short-term notes	24,549	
Finance lease obligations	2,913	1,917
Other financial liabilities	217	18
Long-term financial liabilities	**84,132**	**2,089**
Bonds convertible into or exchangeable for new or existing shares (OCEANE)	5,206	
Bank borrowings or assimilated	2,878	376
Finance lease obligations	1,769	1,830
Bank overdrafts	17,288	14,752
Short-term financial liabilities	**27,141**	**16,958**
Total financial liabilities	**111,273**	**19,047**

On January 21, 2008, Ingenico opted to redeem early all the outstanding OCEANE bonds (bonds convertible into and exchangeable for new and/or existing shares) issued on May 4, 2005 and maturing on January 1, 2012.

On the occasion of this transaction, OCEANE bondholders overwhelmingly elected to convert or exchange their bonds into or for Ingenico shares. 4,059,819 OCEANE bonds were presented for conversion into Ingenico shares, a 99.8% conversion rate.

For reference, 5,194,806 OCEANE bonds were issued on May 4, 2005. As of December 31, 2007, Ingenico had already bought back 620,000 OCEANE bonds and remitted 127,648 treasury shares to meet applications for conversion of 127,013 OCEANE bonds. Between January 1 and January 14, 2008, Ingenico completed the early redemption program for 1,000,000 bonds initiated on December 4, 2007 by buying back 380,000 bonds and remitting 16,882 treasury shares to meet applications for conversion of 16,792 OCEANE bonds.

On completion of the procedure, on February 21, 2008, Ingenico redeemed the 7,974 OCEANE bonds not converted under the procedure for cash at a price of €15.46 and satisfied the applications for conversion of 4,043,021 OCEANE bonds by issuing 4,063,236 new shares.

In addition, the Group secured a new financing facility in the first half of 2007 which consists of two tranches:

- A €60 million “A” tranche which may be activated in the form of commercial paper (one month to one year maximum). This tranche is solely intended to fund working capital requirements.
- A €90 million “B” tranche which may be mobilized in the same manner. This second tranche is solely intended for the acquisition of businesses or assets.

At December 31, 2007, bank borrowings and commercial paper essentially reflected the partial drawdown of the “A” tranche in the amount of €24.5 million. This loan was repaid in full on the balance sheet date of June 30, 2008.

The new financing facility is subject to the three following covenants:

Net debt/EBITDA <= 2.5
Net debt/Equity <= 0.8
EBITDA/Interest expense> 5

The covenants were satisfied on June 30, 2008.

13. DERIVATIVE FINANCIAL INSTRUMENTS

(i) Interest rate hedging

Interest rate hedging is no longer required insofar as the amount of bank borrowings was repaid in full at June 30, 2008.

(ii) Exchange rate hedging

(in thousands of euros)	Foreign exchange hedging at Dec. 31, 2007	Foreign exchange hedging at June 30, 2008
Current assets	266	271
Current liabilities	(1,713)	(2,491)
Total	**(1,447)**	**(2,220)**

The market value of financial instruments at June 30, 2008 was a negative €2,220,000 of which €1,431,000 was charged against equity and €789,000 was charged against the income statement.

At June 30, 2008, foreign exchange derivative financial instruments had maturities of less than six months and exclusively consisted of forward exchange contracts.

14. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

The compensation and benefits granted to the Chairman of the Board of Directors and the Executive Board in office during the period January 1 to June 30, 2008 broke down as follows:

(in thousands of euros)	June 30, 2007	June 30, 2008
Fixed compensation	721	941
Variable compensation	822	1,144
Stock options and bonus share awards	862	2,152
Total	**2,405**	**4,237**

15. PROVISIONS

(in thousands of euros)	**Balance at January 1, 2008**	Translation differences	Changes in consolidation scope	Additions	Reversals of used provisions	Reversal of unused provisions	Other changes	**Balance at June 30, 2008**
Provisions for pensions and other post-employment benefits	**6,115**	**(302)**	**1,031**	**299**	**(150)**	**0**	**(120)**	**6,873**
Provisions for warranties	7,092	(326)	1,550	2,324	(1,329)	0	(119)	9,191
Provisions for litigation and claims	5,303	(40)	4,086	300	(1,047)	(496)	0	8,106
Provisions for restructuring	1,307	(10)	0	200	(184)	(100)	(248)	965
Other provisions	3,274	(12)	951	1,961	(2,243)	(1)	0	3,929
Total other provisions	**16,976**	**(388)**	**6,587**	**4,784**	**(4,803)**	**(597)**	**(367)**	**22,192**

(i) Warranties

The provision for warranties reflects the estimated foreseeable costs related to a 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 the Company's ordinary business. INGENICO believes that adequate provisions have been recorded to cover all outstanding disputes.

INGENICO records 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 a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and provided that the amount of the outflow can be reliably estimated.

Changes in the consolidation scope reflect the first-time inclusion of the Sagem Payment Terminals business as from March 31, 2008.

16. OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet commitments are of the same type as in the year ended December 31, 2007.

Ingenico received the following commitments in connection with the acquisitions completed in the first half of 2008:

- Acquisition of Sagem Payment Terminals: Guarantee of liabilities in an amount of €50 million (valid until March 14, 2010).
- Acquisition of Fujian Landi: Guarantee of liabilities in an amount of €10.8 million (valid until May 23, 2011)

17. EVENTS SUBSEQUENT TO THE INTERIM FINANCIAL STATEMENTS DATE

None

18. PRO FORMA FINANCIAL INFORMATION

Details of the transaction

On March 14, 2008, the Extraordinary General Meeting of Ingenico shareholders approved the transfer to Ingenico of the payment terminals business of the Safran Group subsidiary, Sagem Sécurité. In consideration for the contributed business activities, hereafter referred to as "Sagem Payment Terminals", Sagem Sécurité received 10,663,046 new shares representing 22.37% of the shares in issue.

The details of this transaction are set forth in section 4 herein.

Pro forma financial information

Pro forma financial information presented herein reflects the combined results of operations of Ingenico and of Sagem Payment Terminals, which is comprised of the following entities:

Sagem Monétel SA (France)

Sagem Defesa e Segurança do Brasil (Brazil)

Sagem Denmark (Denmark)

Manison (Finland)

Mynt Betal (Norway)

Sagem Monétel GmbH (Germany)

Matsu (United Kingdom)

The results of the Sagem Payment Terminals business were included in the consolidated financial statements with effect from April 1, 2008. Ingenico’s consolidated financial statement for the period ended June 30, 2008 includes three months of Sagem Payment Terminals’ results.

The pro forma income statement presented herein reflects the combined results of operations of Ingenico and Sagem Payment Terminals for the period January 1 to June 30, 2008.

Basis of presentation

Regulatory framework

The pro forma consolidated income statement is presented in accordance with Instruction no. 2005-11 of December 13, 2005, Appendix II, of the French *Autorité des Marchés Financiers* (AMF) which stipulates that in the event of a change in the consolidation scope in excess of 25%, pro forma information must be presented.

The pro forma financial information was prepared pursuant to the provisions of Annex II (“Pro forma financial disclosure module”) of European Commission (EC) Regulation no. 809/2004 and in accordance with recommendations issued by the Committee of European Securities Regulators (CESR) in February 2005 regarding the preparation of pro forma financial information addressed in EC Regulation no. 809/2004 on prospectuses, together with the provisions of AMF Instruction no. 2007-05 of October 2, 2007.

Pro forma adjustments

Pro forma adjustments related to the pro forma consolidated income statement are computed assuming the transaction was completed on January 1, 2008.

The pro forma consolidated income statement has been prepared solely for illustrative purposes and is not necessarily indicative of the combined financial position or results that actually would have been realized had the transaction occurred on the date indicated (i.e. January 1, 2008). It is not necessarily indicative of the results of operations or the financial position of the combined entity that may, or may not be expected to occur in the future.

All pro forma adjustments are directly attributable to the transaction. Only adjustments that are expected to have a continuing effect on the consolidated financial statements of the combined entity are taken into account.

Only adjustments that are factually supportable and that can be estimated reliably are taken into account. For instance, the pro forma consolidated income statement does not reflect any cost savings potentially realizable from the elimination of some expenses or from synergies. The pro forma consolidated income statement does not reflect any special items such as restructuring and integration costs that may be incurred as a result of the merger.

Assumptions

Data underlying assumptions corresponds to historical data for each of the combined entities. No pro forma restatement adjustments were made to reflect the full year financial effect of acquisitions and divestitures completed by each entity during the period under review. In particular, no pro forma adjustments were made to account for the acquisition by Ingenico of the Landi (China) and Auto Gain (Hong Kong) companies with effect as of June 30, 2008 due to the insignificant nature of the amounts involved.

Intercompany transactions

All transactions carried out between Ingenico and Sagem Payment Terminals are treated as intracompany transactions. There were no intercompany balances or transactions for the period January 1 to March 31, 2008.

Tax matters

Tax effects of pro forma adjustments have been calculated at the statutory rate in effect during the period for which pro forma financial information pro forma is presented.

Sources for pro forma information

The pro forma consolidated income statement for the period January 1 to June 30, 2008 was compiled using the following sources:

The consolidated financial statements of Ingenico for the period ended June 30, 2008, prepared in accordance with IFRS; these financial statements were subjected to limited review by the statutory auditors of the Company.

Financial statements of the Sagem Payment Terminals business for the period ended March 31, 2008, prepared in accordance with IFRS; these financial statements were reviewed by the statutory auditors during the course of their limited review of the consolidated financial statements of Ingenico for the period ended June 30, 2008.

UNAUDITED PRO FORMA CONSOLIDATED INCOME STATEMENT OF INGENICO AND SAGEM PAYMENT TERMINALS FOR THE PERIOD JANUARY 1 TO JUNE 30, 2008

(in millions of euros)	Ingenico consolidated data Jan 1 -June 30, 2008	Sagem Monétique consolidated data Jan 1 -March 31, 2008	Adjustment of inventories	Adjustment to eliminate R&D expense	Adjustment to record amortization of intangible assets	Pro forma consolidated data Jan 1 -June 30, 2008
		(1)	(2)	(3)	(4)	
Revenue	313.8	52.8				366.6
Cost of sales	(202.5)	(35.3)	-			(237.8)
Gross profit	111.3	17.5	-	-	-	128.8
Other current operating income						-
Distribution and marketing costs	(23.2)	(3.3)			(0.9)	(27.4)
Research and development expenses	(28.6)	(4.5)		1.1	(2.9)	(34.9)
Administrative expenses	(35.9)	(3.0)				(38.9)
Other current operating expenses	0.0	-				-
Profit from ordinary activities	23.6	6.7	-	1.1	(3.8)	27.7
Other operating income		0.0				0.0
Other operating expenses		(0.1)				(0.1)
Other operating income and expenses	(8.0)	(0.1)			-	(8.0)
Profit from operations	15.6	6.7	-	1.1	(3.8)	19.6
Net finance costs	(2.3)	(0.3)				(2.6)
Profit before income tax	13.3	6.4	-	1.1	(3.8)	17.0
Income tax	(4.1)	(2.3)	-	(0.4)	1.3	(5.6)
External income	0.0					0.0
Profit for the period	9.2	4.1	-	0.7	(2.5)	11.4

Description of the pro forma adjustments related to pro forma consolidated income statement at 30/06/08

(1) Transactions carried out by Sagem Payment Terminals between January 1 and March 31, 2008 were reflected in the pro forma consolidated income statement.

(2) The inventories of Sagem Payment Terminals were remeasured at fair value as at March 31, 2008 resulting in an adjustment of €6.1 million before tax. Il was not necessary to carry out a fair value appraisal of inventories as of December 31, 2007 for the purpose of compiling the pro forma information insofar as the inventory levels were almost identical (€20.6 million as of December 31, 2007 and €21.7 million as of March 31, 2008). The fair value at March 31, 2008 was measured at the same amount as at January 1, 2008. This adjustment was included in the consolidated financial information of Ingenico for the period January 1 to June 30, 2008.

(3) Research and development expenses incurred by Sagem Payment Terminals are subjected to a detailed analysis (classification by nature of committed costs, including internal development hours, amounts of cost analyzed by nature and dates of entry into service, etc.) but are only allocated as from April 1, 2008. Expenses recognized by Sagem Payment Terminals in the first quarter of 2008 in respect of capitalized R&D projects were eliminated from the pro forma consolidated income statement. The

theoretical amortization of in-process R&D projects, which is calculated over a period of three years as from the entry into service of the project, is included in the amortization charge for identifiable intangible assets related to the business combination.

(4) A pro forma adjustment was made to record the amortization expense for the first quarter of 2008 related to identifiable intangible assets acquired as part of the business combination. The intangible assets concerned consisted of customer relationships, developed technologies and technologies under development. These amortization charges were calculated based on the depreciable periods set forth in the note “Opening balance sheet of Sagem Payment Terminals” and amounted respectively to €3.8 million, before tax, and €2.5 million after deduction of deferred tax generated during the first quarter of 2008.