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

Interim consolidated financial statements for the half year ended June 30, 2009

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

CONTENTS

1/ Consolidated financial statements

CONTENTS

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

1. INTERIM CONDENSED CONSOLIDATED INCOME STATEMENTS

(in thousands of euros)	**Notes**	**June 30, 2008**	**June 30, 2009**
Revenue	5	**313 806**	**317 696**
Cost of sales		(202 519)	(193 016)
Gross profit		**111 287**	**124 681**
Distribution and marketing costs		(23 234)	(27 806)
Research and development expenses		(28 560)	(39 083)
Administrative expenses		(35 863)	(40 417)
Profit from ordinary activities	5	**23 630**	**17 375**
Other operating income	6	73	629
Other operating expenses	6	(8 113)	(8 321)
Profit from operations		**15 590**	**9 683**
Total interest expense	7	(1 217)	(1 031)
Income from cash and cash equivalents	7	1 458	968
Other financial income and expenses	7	(2 495)	(1 325)
Profit before income tax		**13 336**	**8 295**
Income tax	8	(4 153)	(3 522)
Profit for the period		**9 183**	**4 774**
Attributable to:			
- Ingenico S.A. shareholders		9 164	4 774
- Minority interests		19	0
Earnings per share (in euros)			
Net earnings			
- basic		0,22	0,10
- fully diluted		0,22	0,10

2. INTERIM STATEMENT OF RECOGNIZED INCOME AND EXPENSE

(in thousands of euros)	June 30, 2008	June 30, 2009
Profit for the period attributable to Ingenico S.A. shareholders	**9 164**	**4 774**
Translation differences	(2 334)	4 282
Remeasurement of derivative hedging instruments at fair value	(123)	588
Remeasurement of available-for-sale financial assets at fair value	(833)	648
Remeasurement of investments at fair value		
Actuarial gains/(losses) on long-term employee benefit obligations (defined benefit plans)		(2 313)
Share of gains/(losses) of associates recognized directly in equity		
Taxes on gains/(losses) recognized directly in equity	268	(462)
Total gains/(losses) recognized directly in equity and attributable to Ingenico S.A. shareholders	**(3 022)**	**2 743**
Profit for the period and gains/(losses) recognized directly in equity, attributable to Ingenico S.A. shareholders	6 142	7 517
Profit for the period and gains/(losses) recognized directly in equity, attributable to minority interests	19	(0)
Profit for the period and gains/(losses) recognized directly in equity	**6 161**	**7 517**

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

3. INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

Assets (in thousands of euros)	**Notes**	**December 31, 2008**	**June 30, 2009**
NON-CURRENT ASSETS			
Goodwill	9	221 437	198 350
Other intangible assets		103 257	97 159
Property, plant and equipment		25 361	26 595
Financial assets		3 265	3 220
Deferred tax assets		20 631	23 702
Other non-current assets		1 030	723
Total non-current assets		**374 979**	**349 749**
CURRENT ASSETS			
Inventories	10	77 211	92 306
Trade and related receivables		177 390	174 868
Other current assets		3 577	3 852
Current tax receivables		8 602	8 947
Derivative financial instruments	13	162	35
Short-term investments	12	2 847	2 412
Cash and cash equivalents	12	142 770	100 387
Total current assets		**412 560**	**382 807**
Total assets		**787 539**	**732 556**

Equity and liabilities (in thousands of euros)		**December 31, 2008**	**June 30, 2009**
EQUITY	11		
Share capital		47 793	48 401
Share premium account		371 538	378 011
Retained earnings and other reserves		44 000	39 180
Translation differences		(8 229)	(3 948)
Equity attributable to Ingenico S.A. shareholders		**455 102**	**461 644**
Minority interests		**0**	**0**
Total equity		**455 102**	**461 644**
NON-CURRENT LIABILITIES			
Borrowings and long-term debt	12	61 018	1 645
Provisions for retirement benefit obligations	15	4 776	7 699
Other provisions	15	10 645	12 232
Deferred tax liabilities		24 216	22 051
Other non-current liabilities		4 827	7 481
Total non-current liabilities		**105 482**	**51 109**
CURRENT LIABILITIES			
Short-term borrowings	12	7 149	10 236
Current provisions	15	10 310	10 935
Trade payables and related accounts		153 960	158 318
Income tax expense		5 184	6 927
Derivative financial instruments	13	2 472	3 191
Other liabilities		47 880	30 197
Total current liabilities		**226 955**	**219 803**
Total liabilities		**332 437**	**270 912**
Total equity and liabilities		**787 539**	**732 556**

4. STATEMENTS OF CHANGES IN 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 consolidated equity	Minority interests
Balance at January 1, 2008	**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)					(24 331)	(1 249)	(25 580)	
Share-based payment and exercise of stock options (4)	135	1 304			7 634	905	9 978	
Buyback of OCEANE bonds – equity component (5)						(3 061)	(3 061)	
Conversion of OCEANE bonds – equity component (5)	4 063	54 983			223		59 270	
Sagem Monetel capital increase (6)	10 663	191 670					202 333	
Total gains/(losses) recognized for the period			(11 108)	(118)		38 536	27 310	(2)
Other						(254)	(254)	(45)
Balance at December 31, 2008	**47 793**	**371 538**	**(8 230)**	**(976)**	**(27 297)**	**72 273**	**455 102**	**(0)**
Dividends paid to shareholders (1)						(4 310)	(4 310)	
Stock dividends paid to shareholders (2)	597	6 654				(7 251)		
Treasury shares (3)					(362)	499	137	
Share-based payment and exercise of stock options (4)	11	97				3 091	3 199	
Total gains/(losses) recognized for the period			4 282	386		2 849	7 517	(0)
Other		(278)				278		0
Balance at June 30, 2009	**48 401**	**378 011**	**(3 948)**	**(590)**	**(27 659)**	**67 429**	**461 644**	**(0)**

2009:
(1) Cash dividend paid on June 17, 2009.
(2) Stock dividend financed 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 June 30, 2009, the Company held 1,563,990 treasury shares bought back by virtue of authorizations granted at shareholders' meetings.
(4) Share-based payment:

- The increase in retained earnings and other reserves reflects fair value adjustments to stock options and free share awards, and recognized each year in administrative expenses and profit from ordinary activities.
- 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.
(4) Share-based payment:

- The increase in retained earnings and other reserves reflects fair value adjustments to stock options and free share awards, and 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.

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

5. INTERIM CONSOLIDATED CASH FLOW STATEMENTS

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

Comments

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

6. 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 (together referred to as “the Group”), as well as the Group’s share of the profits of associated companies and joint ventures. Ingenico is a company incorporated under French law whose securities are admitted to trading on a regulated market, with its registered office in Neuilly-sur-Seine.

The interim condensed consolidated financial statements were approved by the Board of Directors on August 26, 2009.

2. ACCOUNTING PRINCIPLES AND METHODS

The interim condensed consolidated financial statements for the period from January 1, 2009 to June 30, 2009 were drawn up using the same accounting principles and methods used in the consolidated financial statements for the fiscal year ended December 31, 2008, except that the following new standards, amendments and interpretations adopted by the European Union were applied herein for the first time:

- IFRS 8, Operating Segments
- The revision to IAS 1, Presentation of Financial Statements
- The revision to IAS 23, Borrowing Costs
- The amendment to IFRS 2 regarding Vesting Conditions and Cancellations
- The amendments to IFRS 1 and IAS 27 regarding the Cost of Investments in Subsidiaries, Jointly Controlled Entities and Associates
- The amendments to IAS 32 and IAS 1 regarding Puttable Financial Instruments.

The application of these standards, revisions and amendments had no material impact on the presentation of these consolidated financial statements.
Regarding IFRS 8, the Group has continued with disclosure on a geographical basis. During the previous reporting periods, the Group operated principally in the business segment of payment terminal sales. As a result, only geographical entities can be considered profit centers offering detailed performance measurements that make segment reporting possible.

In preparing these interim condensed consolidated financial statements, the Group did not apply the amendments to IFRS 7 on Improving Disclosures about Financial Instruments, which have not yet been adopted by the European Union and which entities are required to apply to annual reporting periods beginning on or after January 1, 2009.

These amendments to IFRS 7 should have no material impact on the consolidated financial statements.

In preparing these interim condensed consolidated financial statements, the Group did not apply the following new standards, amendments and interpretations, which are not yet in effect:

- The revision to IFRS 3, Business Combinations
- The amendment to IAS 27, Consolidated and Separate Financial Statements
- The amendment to IAS 39, Financial Instruments, regarding Eligible 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
- The amendments to the 2007-2009 Annual Improvements to IFRS, issued in April 2009.

These interim condensed consolidated financial statements were drawn up 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, 2008.

Translation of financial statements

The conversion rates for the main currencies used by the Group in fiscal year 2008 and the half-year periods ended June 30, 2008 and 2009 are as follows:

Closing rate	December 31, 2008	June 30, 2009
U.S. dollar	1,3917	1,4134
Canadian dollar	1,6998	1,6275
Australian dollar	2,0274	1,7359
British pound	0,9525	0,8521
Brazilian real	3,2436	2,7469

Average rate	June 30, 2008	June 30, 2009
U.S. dollar	1,5309	1,3322
Canadian dollar	1,5403	1,6051
Australian dollar	1,6545	1,8791
British pound	0,7753	0,8939
Brazilian real	2,5947	2,9216

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 the estimates and assumptions.

The cases in which management exercised a significant degree of judgment in applying the accounting methods adopted by the Group in these interim 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, 2008.

3. CONSOLIDATION SCOPE

Corporate name	Address	Country	% held Ingenico S.A.	Accounting method
PARENT COMPANY				
INGENICO S.A.	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
Moneyline Banking Systems	183, avenue Georges Clémenceau, 92024 Nanterre Cedex	France	100%	FC
Ingenico France	1, rue Claude Chappe, BP 346, 07503 Guilherand-Granges *Along with its wholly-owned subsidiary in Germany*	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	France	100%	FC
Ingenico GmbH	Ingenico GmbH Pfalzburger Straße 43-44, 10717 Berlin *along with its wholly-owned subsidiary EPOS EFT / POS Service GmbH*	Germany	100%	FC
Ingenico International (Pacific) PTY Ltd.	6 Prosperity Parade - Warriewood NSW 2102 *Along with its wholly-owned subsidiary Europa Communications Ltd*	Australia	100%	FC
Ingenico International (Singapore) 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 subsidiaries Ingenico Ireland Ltd and Sagem Matsu and the Norwegian company 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
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 Columbia, Venezuela,*	Brazil	100%	FC
Ingenico Italia SpA	Via Stephenson 43/a - 20157 Milano, Italy *Along with its wholly-owned subsidiary EPOS Italia SpA*	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
Auto Gain Hong Kong Ltd.	3806 Central Plaza, 18 Harbour Road, Wanchai, Hong Kong *Along with its subsidiary Landi (55% stake)*	Hong Kong	100%	FC
Ingenico Korea	Woorim Lion's Valley Road - A606B 371-28 Gasan-Dong Geumchun-Gu, Seoul - Korea Postal Code 153-	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
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	99%	FC
Ingenico Investment Luxembourg SA	10 bd Royal, L2449 Luxembourg	Luxembourg	100%	FC
Ingenico CIS	Godovikova Street 9 - 119085, Moscow - Russia	Russia	99%	FC
Ingenico CZ S.r.o.	Myslíkova 173/25 - 110 00, Praha 1 - Czech Republic	Czech Republic	100%	FC
Ingenico Ödeme	ITU Ayazaga Kampuzu Ari 2 Binasi B blok N° 6/1 Koruyolu 34469 Maslak Istambul *Along with its wholly-owned subsidiary Ingenico Elektronik*	Turkey	100%	FC

4. ACQUISITIONS AND DIVESTITURES

Divestitures

Disposal of Sagem Denmark and Manison Finland.

Description of the transaction

On June 11, 2009, the Group sold its subsidiaries Sagem Denmark and Manison Finland to BBS, a provider of electronic ID, payment and information solutions in the Nordic countries.

The disposal is coupled with a strategic partnership for the distribution by BBS of Ingenico's Telium-based terminals in this region.

Transaction price

At June 30, 2009, the Group received cash consideration of €38 million for the transaction. The sales agreement provides for additional consideration to be paid no later than September 30, 2009. The estimated amount of the additional consideration is shown in the consolidated financial statements at June 30, 2009.

Contribution of the divested entities to the Group's financial position

These divestitures had no significant effect on the Group's financial position. In cash flow terms, a gain of €27.9 million was recorded at June 30, 2009, representing the consideration received, net of cash disposed of.

In 2009 (6 months) and 2008 (9 months), these two entities respectively contributed the following to the Group's consolidated financial position:

- €16.8 million and €30.1 million to revenue
- €1.6 million and €3.6 million to profit from ordinary activities
- €0.7 million and €3.3 million to net profit.

Acquisitions

The Group acquired no subsidiaries or businesses during the first half of 2009.

Other changes in consolidation scope

Ingenico Ventures SAS is a subsidiary created on May 6, 2009 for the purpose of acquiring and managing a portfolio of financial instruments.

Ingenico CZ S.r.o. is a subsidiary created on March 3, 2009 for the purpose of marketing and distributing payment terminals.

5. SEGMENT REPORTING

In these interim condensed consolidated financial statements, the Group applied IFRS 8, Operating Segments, for the first time. The principles used to determine operating segments are described in Note 2, Accounting Principles and Methods.

Given the Group's management structure and the internal monitoring procedures used by management, the segments identified in 2008 have remained unchanged:

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

(i) Breakdown of segment profit or loss

At June 30, 2009

Breakdown of segment profit or loss (in thousands of euros)	**Northern Europe**	**Southern Europe**	**Asia-Pacific**	**North America**	**Latin America**	**Central Europe / Middle East/ Africa**	**Unallocated**	**Eliminations**	**Consolidated**
External revenue	53 911	83 930	26 821	44 205	56 805	52 024	0		317 696
Inter-segment revenue	2 401	123 017	384	95	2 651	446		(128 994)	0
Total revenue	**56 312**	**206 946**	**27 205**	**44 300**	**59 457**	**52 471**	**0**	**(128 994)**	**317 696**
Profit from ordinary activities	3 748	10 148	2 737	1 874	1 599	5 395	(8 128)		17 375
Profit from operations	2 382	9 872	3 618	584	1 314	5 077	(13 164)		9 683
Total finance costs									(1 388)
Income tax									(3 522)
Profit for the period									**4 774**
Attributable to Ingenico S.A. shareholders									**4 774**

NB: The revenue and operating profit generated by entities operating in more than one segment have been broken down by geographical location.

At June 30, 2008

Breakdown of segment profit or loss (in thousands of euros)	**Northern Europe**	**Southern Europe**	**Asia-Pacific**	**North America**	**Latin America**	**Central Europe / Middle East/ Africa**	**Unallocated**	**Eliminations**	**Consolidated**
External revenue	49 941	78 322	20 870	48 618	50 796	63 059	2 201		313 806
Inter-segment revenue	1 255	115 274	743	111	3 112	761		(121 256)	0
Total revenue	**51 195**	**193 596**	**21 613**	**48 729**	**53 908**	**63 820**	**2 201**	**(121 256)**	**313 806**
Profit from ordinary activities	2 571	8 941	3 903	(2 349)	2 036	4 498	4 030		23 630
Profit from operations	2 401	8 692	3 874	(2 323)	2 038	4 501	(3 593)		15 590
Total finance costs									(2 254)
Income tax									(4 153)
Profit for the period									**9 183**
Attributable to Ingenico S.A. shareholders									**9 164**

NB: The table above, referring to June 30, 2008, differs from the version presented in the consolidated financial statements for the half year ended June 30, 2008. It was changed to facilitate comparison with the data from the first half of 2009.

Total assets per segment show little change from December 31, 2008, leaving aside the disposal of Sagem Denmark and Manison Finland, particularly with respect to goodwill per segment as described in Note 9, Goodwill.

6. OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses are as follows:

(in thousands of euros)	June 30, 2008	June 30, 2009
Restructuring costs	(7 594)	(7 115)
Litigation expenses and costs related to quality issues	73	(271)
Gains/(losses) on disposal of assets		(23)
Disposal or retirement of property, plant and equipment or intangible assets; and other	(519)	(283)
Total	**(8 040)**	**(7 692)**

Other operating income and expenses for the half year ended June 30, 2009 primarily include:

- A total of €5.5 million in restructuring charges incurred in connection with the reorganization of Group activities, chiefly Research & Development. That amount includes the following:
  - €3.8 million to cover the cost of measures for the benefit of Ingenico Barcelona employees
  - €1.5 million in additional, non-recurring costs related to the migration of applications to the Telium platform.

- A gain on the disposal of Sagem Denmark and Manison Finland which was not significant at June 30, 2009, and which reflects an estimated future earn-out payment.

For the half year ended June 30, 2008, other operating income and expenses primarily included:

- 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 (€6 million at Ingenico Barcelona, mainly as part of the redeployment of Research & Development activities within the Group).

- Losses arising on the retirement of property, plant and equipment in France.

7. NET FINANCE COSTS

(in thousands of euros)	June 30, 2008	June 30, 2009
Interest expense on convertible bonds		
Other interest expense	(1 217)	(1 030)
Interest expense	**(1 217)**	**(1 030)**
Income from cash and cash equivalents	1 458	968
Net finance costs	**241**	**(62)**
Foreign exchange gains	10 971	16 131
Foreign exchange losses	(13 950)	(16 510)
Foreign exchange gains/(losses), net	**(2 979)**	**(380)**
Gains on disposal of interest rate hedging instruments	130	0
Gains/(losses) on short-term investments (remeasurement, disposal)	(179)	(312)
Other financial income	878	55
Other financial expense	(345)	(689)
Other financial income/(expense), net	**484**	**(946)**
Total finance costs	**(2 254)**	**(1 388)**

For the first half of 2009, the breakdown of finance costs is as follows:

The Group's interest expense consists of interest expense on short- and medium-term loans and bank credit facilities contracted by the parent company and a Brazilian subsidiary. The interest expense to the parent company is related to drawdowns on a €60 million line of credit, which was fully repaid at June 30, 2009.

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.

Other financial income and expenses mainly reflect fair value adjustments to assets held for trading, and the discounted present value of financial instruments related to the acquisition of subsidiaries and post-employment benefit obligations.

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

The Group's net finance costs (representing a net gain) consisted primarily of interest expense on new financing arrangements in the form of two lines of credit totaling €150 million set up in May 2007. At the June 30, 2008 reporting date, the Group made no use of its lines of credit. Income from cash and cash equivalents consisted of interest on cash equivalents and short-term investments.

A net gain of €220,000 was recorded under other financial income following the conversion and buyback of OCEANE-type convertible bonds.

8. INCOME TAX

Income tax expense for the period

(in thousands of euros)	June 30, 2008	June 30, 2009
Income tax expense for the period	(6 089)	(8 741)
Deferred tax	1 936	5 219
Total	**(4 153)**	**(3 522)**
Profit before income tax	13 336	8 295
Effective tax rate	31,14%	42,46%

The high ratio of income tax expense to profit before income tax for the six months ended June 30, 2009 is chiefly attributable to the effect of permanent differences, and above all to taxes on gains on the disposal of the Group's subsidiaries in Denmark and Finland, which were recognized in the parent company financial statements.

9. GOODWILL

Goodwill

(in thousands of euros)	December 31, 2008	June 30, 2009
At January 1	**106 324**	**221 437**
Investments	118 623	98
Divestitures		(24 548)
Impairment losses	(1 000)	
Translation differences	(4 880)	1 362
Other	2 370	
At June 30	**221 437**	**198 350**

The decrease in goodwill primarily reflects the disposal of Sagem Denmark and its subsidiary Manison Finland.

Breakdown of goodwill

Cash-generating units (in thousands of euros)	December 31, 2008 Gross carrying amount	December 31, 2008 Accum. impairment losses	December 31, 2008 Net carrying amount	June 30, 2009 Gross carrying amount	June 30, 2009 Accum. impairment losses	June 30, 2009 Net carrying amount
Asia	18 337	(376)	17 961	18 189	(376)	17 813
Pacific	6 483	(3 651)	2 832	7 572	(4 264)	3 307
Central Europe/Middle East/Africa	35 781		35 781	35 661		35 661
France	35 235		35 235	35 235		35 235
Germany	5 523		5 523	5 523		5 523
Spain	5 708		5 708	5 708		5 708
Italy	12 113	(1 096)	11 017	12 113	(1 096)	11 017
Latin America	5 701		5 701	6 732		6 732
North America	66 917		66 917	66 740		66 740
Northern Europe	33 455	(27)	33 428	9 338	(59)	9 279
Moneyline Banking System	2 834	(1 500)	1 334	2 834	(1 500)	1 334
Total	**228 088**	**(6 650)**	**221 437**	**205 645**	**(7 295)**	**198 350**

Goodwill impairment tests

Goodwill per segment breaks down as follows:

30/06/2009

Segments	Northern Europe		Southern Europe				Asia-Pacific		North America	Latin America	Central Europe/ Middle East/Africa	
Cash-generating units	Northern Europe	Germany	France	Spain	Italy	Moneyline Banking System	Asia	Pacific	North America	Latin America	Central Europe/ Middle East/Africa	Total
Net carrying amount of goodwill (in thousands of euros)	9 279	5 523	35 235	5 708	11 017	1 334	17 813	3 307	66 740	6 732	35 661	198 350

Because there were indications of impairment for certain cash-generating units (particularly in North America, where revenue and margins declined sharply in the first half of 2009 against a background of economic downturn), Ingenico performed impairment tests. The results did not warrant recognition of any goodwill impairment loss at June 30, 2009.

For the North America cash-generating unit, the main assumptions used to calculate the recoverable amount of goodwill are as follows:

- A discount rate of 11.44 percent
- A 15.9 percent revenue growth rate in 2010, based on the latest forecasts available for 2009, followed by an average of 3 percent in the subsequent years up to 2013
- A perpetual growth rate of 1 percent.

A 0.5 percent increase in the discount rate or a 0.5 percent decrease in the perpetual growth rate would not warrant recognition of an impairment loss for this cash-generating unit.

31/12/2008

Segments	Northern Europe		Southern Europe				Asia-Pacific		North America	Latin America	Central Europe/ Middle East/Africa	
Cash-generating units	**Northern Europe**	**Germany**	**France**	**Spain**	**Italy**	**Moneyline Banking System**	**Asia**	**Pacific**	**North America**	**Latin America**	**Central Europe/ Middle East/Africa**	**Total**
Net carrying amount of goodwill (in thousands of euros)	33 428	5 523	35 235	5 708	11 017	1 334	17 961	2 832	66 917	5 701	35 781	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%	1,00%	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%	11,16%	11,45%	13,18%	11,44%	14,10%	12,72%	

10. INVENTORIES

(in thousands of euros)	December 31, 2008	June 30, 2009
Raw materials and consumables	16 651	18 293
Finished products	76 312	92 696
Depreciation on raw materials & consumable	(3 825)	(4 007)
Depreciation on finished products	(11 926)	(14 677)
Net total	**77 211**	**92 306**

The increase in inventories results primarily from the seasonal nature of the Group's business in the first half of 2009.

At June 30, 2009, the two divested subsidiaries, Sagem Denmark and Manison Finland, recorded inventories with a value before write-down of €7.1 million and net realizable value of €6.1 million. At December 31, 2008, the corresponding figures were €9.2 million and €8.3 million.

11. SHARE CAPITAL

Number of outstanding shares

	December 31, 2008	June 30, 2009
Shares issued at beginning of period	**32 930 070**	**47 791 674**
Shares issued in connection with options exercised and dividend distribution	135 342	609 366 (*)
Shares issued in connection with the acquisition of Sagem Payment Terminals	10 663 046	
Shares issued in connection with the conversion of OCEANE bonds	4 063 216	
Shares issued at end of period	**47 791 674**	**48 401 040**
Treasury shares at end of period	**1 624 290**	**1 563 990**
Shares outstanding at end of period	**46 167 384**	**46 837 050**

(*) Comprising 12,092 shares issued in connection with stock option plans and 597,294 shares issued for the purpose of a stock dividend distribution, following the shareholders' decision at their combined ordinary and extraordinary meeting of May 15, 2009 to authorize the distribution of dividends in the form of stock.

Ingenico's shares have a par value of €1.

Treasury shares

Shares repurchased to be awarded or cancelled
The portfolio of Ingenico stock repurchased by the Company to be granted under free share programs or to reduce the share capital totaled 1,301,876 shares at December 31, 2008.
At June 30, 2009, the portfolio totaled 1,266,780 shares, given that 35,096 shares had been used to meet the Company's obligations at the expiration of the acquisition period for free share programs.

Shares repurchased under the liquidity contract entered into in 2004
Under the liquidity contract implemented since 2004, Ingenico held a total of 322,414 treasury shares at December 31, 2008. At June 30, 2009, the portfolio totaled 297,210 treasury shares, representing a net disposal of 25,204 shares.

Stock options and free shares

Free shares

New programs to grant free shares were established in the first half of 2009:

- On March 13, 2009, 75,000 free shares were granted to the Chief Executive Officer, Mr. Philippe Lazare.
- On May 23, 2009, 15,000 free shares were granted.
- On June 24, 2009, 100,000 free shares were granted.
- On June 27, 2009, 10,000 free shares were granted to the Chairman, Mr. Jacques Stern.
- On June 30, 2009, 75,000 free shares were granted to Mr. Philippe Lazare.

During the period, beneficiaries became entitled to 35,096 free shares, and 46,500 free shares were cancelled. At June 30, 2009, there was a total of 1,073,500 free shares outstanding.

Stock options

No new stock option plans were set up during the first half of 2009. Given that 12,092 stock options were exercised and that 35,873 employees left the Group, at June 30, 2009, there was a total of 509,037 stock options (Plans A, C, F and H).

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, a total of €3.1 million was charged to profit from ordinary activities in connection with free share grants in the first half of 2009.

12. NET DEBT

For the Ingenico Group, net financial liabilities consist of short-term and long-term financial liabilities, less short-term investments and cash and cash equivalents.

(in thousands of euros)	December 31, 2008	June 30, 2009
Cash and cash equivalents	142 770	100 387
Short-term investments	2 847	2 412
Financial liabilities	(68 167)	(11 881)
Net debt	**77 450**	**90 918**

The short-term investments of €2,412,000 recorded in the period reflect current financial assets used for cash management purposes, and classified as available-for-sale assets.

Breakdown of cash, cash equivalents and short-term investments

(in thousands of euros)	December 31, 2008	June 30, 2009
Cash and cash equivalents	44 485	29 352
UCITS classified as cash equivalents	98 286	71 035
Total cash and cash equivalents	**142 770**	**100 387**
Investments	2 847	2 412
Cash, cash equivalents and short-term investments	**145 617**	**102 799**

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)	**December 31, 2008**	**June 30, 2009**
Bank borrowings	0	
Short-term notes	59 674	
Finance lease obligations	1 340	1 495
Other financial liabilities	4	150
Total long-term financial liabilities	**61 018**	**1 645**
Short-term bank and related borrowings	2 002	1 048
Finance lease obligations (current portion)	1 433	1 013
Bank overdrafts and other financial liabilities	3 714	8 174
Total short-term financial liabilities	**7 149**	**10 236**
Total financial liabilities	**68 167**	**11 881**

During the first half of 2007, Ingenico refinanced, setting up two tranches:

- A €60 million A tranche that may be activated in the form of commercial paper (1 month to 1 year period maximum). This tranche is solely intended to fund working capital requirements.

- A €90 million B tranche that may be mobilized in the same manner. This second tranche is solely intended for the acquisition of businesses or assets.

During the first half of 2009, Ingenico drew down the A tranche, but it was fully repaid on April 9, 2009.

13. DERIVATIVE FINANCIAL INSTRUMENTS

(i) Interest rate hedging

	Interest rate hedging	
(in thousands of euros)	**December 31, 2008**	**June 30, 2009**
Current assets	9	
Current liabilities		
Total	**9**	

Because the facility has been repaid, Ingenico did not have any interest rate hedges at June 30, 2009.

(ii) Exchange rate hedging

	Foreign exchange hedging	
(in thousands of euros)	**December 31, 2008**	**June 30, 2009**
Current assets	153	35
Current liabilities	(2 472)	(3 191)
Total	**(2 319)**	**(3 156)**

The fair market value of exchange rate hedge instruments at June 30, 2009 showed an unrealized loss of €3,156,000, including an unrealized loss of €901,000 recognized in equity and a €2,255,000 loss recorded in profit and loss.

At June 30, 2009, all of the Group's foreign exchange hedge instruments were forward contracts with maturities of less than six months.

14. RELATED PARTY TRANSACTIONS

To the Company's knowledge, there are no potential conflicts of interest between the duties of any of the members of the Board of Directors with regard to the Company and their respective private interests or other duties.

Mr. Jacques Stern informed the Company that he and his wife indirectly hold a 23.53 percent stake in Cryptolog International, a company that is a supplier to Ingenico. Invoicing by Cryptolog International to the parent company totaled €14,000 at June 30, 2009, versus €186,000 in 2008.

Total compensation and benefits paid to the Chairman of the Board of Directors and members of the Executive Committee in office from January 1, 2009 and June 30, 2009 breaks down as follows:

(in thousands of euros)	**June 30, 2008**	**June 30, 2009**
Fixed compensation	941	1 350
Variable compensation	1 144	975
Miscellaneous benefits		641
Stock options and free share awards	2 152	1 936
Total	**4 237**	**4 902**

15. PROVISIONS

(in thousands of euros)	Balance at Jan. 1, 2009	Translation differences	Changes in consolidation scope	Additions	Deductions of amounts used	Deductions of unused amounts	Other	Balance at June 30, 2009
Provisions for retirement benefit obligations	**4 776**	**315**	**0**	**527**	**0**	**(230)**	**2 311**	**7 699**
Provisions for warranties	9 305	623	(346)	4 303	(3 934)	0	81	10 032
Provisions for litigation and claims	7 669	169	0	558	(927)	(2 061)	15	5 423
Provisions for restructuring	1 120	64	(388)	4 264	(148)	(629)	241	4 524
Other provisions	2 861	(9)	0	1 972	(1 536)	(82)	(18)	3 188
Total other provisions	**20 955**	**847**	**(734)**	**11 097**	**(6 545)**	**(2 772)**	**319**	**23 167**

(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.

The deductions of unused amounts primarily reflect the settlement of legal disputes in the Group's favor.

The changes in consolidation scope resulted from the disposal of Sagem Denmark and Manison Finland in June 2009.

(iii) Provisions for restructuring

The additions to the provision for restructuring in the first half of 2009 are mainly related to the provision for Spain and the Group's reorganization process, which continued into 2009.

(iv) Provisions for retirement benefit obligations

At June 30, 2009, Ingenico revalued its retirement benefit obligations to Group employees in the United Kingdom. The resulting change reflects the revised actuarial assumptions used (a lower discount rate and a higher rate of inflation).

16. OFF-BALANCE SHEET COMMITMENTS

At June 30, 2009, Ingenico had off-balance sheet commitments of the same nature as at December 31, 2008.

Following the disposal of Sagem Denmark and Manison Finland in the first half of 2009, Ingenico gave the following further commitments:

- A seller's warranty of €10,250,000 (expiring on June 30, 2010).
- Corporate and litigation warranties totaling €10,250,000 (expiring on June 30, 2011) ;
- A tax warranty of €20,500,000 that is valid until expiry of the time limit within which the tax authorities can raise claims against the Group.

The three liabilities warranties are non-cumulative.

17. SUBSEQUENT EVENTS

Nil.

18. PRO FORMA FINANCIAL INFORMATION

In millions of euros	Pro forma consolidated data Jan. 1-June 30, 2008	Ingenico consolidated data, Jan. 1-June 30, 2009
Revenue	366,6	317,7
Cost of sales	(237,8)	(193,0)
Gross profit	**128,8**	**124,7**
Other income from ordinary activities	-	
Distribution and marketing costs	(27,4)	(27,8)
R&D expenses	(34,9)	(39,1)
Administrative expenses	(38,9)	(40,4)
Other expenses related to ordinary activities	-	-
Profit from ordinary activities	**27,7**	**17,4**
Other operating income	0,0	
Other operating expenses	(0,1)	
Other operating income and expenses	(8,0)	(7,7)
Profit from operations	**19,6**	**9,7**
Total finance costs	(2,6)	(1,4)
Profit before income tax	**17,0**	**8,3**
Income tax	(5,6)	(3,5)
Profit not attributable to the consolidated group	0,0	
Profit for the period	**11,4**	**4,8**

Description of the transaction

At their Extraordinary Meeting of March 14, 2008, the Ingenico shareholders approved the contribution to Ingenico of Groupe Safran's payment terminal business, operated by Sagem Sécurité. Ingenico increased its share capital by issuing new shares to Sagem Sécurité as consideration for the contribution of that business, hereafter referred to as Sagem Payment Terminals, with the result that Sagem Sécurité acquired 22.37 percent of all Ingenico shares outstanding.

Scope of the pro forma information

The pro forma information above covers the combination of Ingenico's business with all of Sagem's Payment Terminal business, which comprises the following companies:

Sagem Monetel SA (France)

Sagem Defesa e Segurança do Brasil (Brazil)

Sagem Denmark (Denmark)

Manison (Finland)

Mynt Bétal (Norway)

Sagem Monetel GmbH (Germany)

Matsu (United Kingdom)

Sagem's Payment Terminal business has been included in Ingenico's consolidated accounts since April 1, 2008. Ingenico's consolidated income statements at June 30, 2008 therefore cover 3 months of operations of Sagem Payment Terminals.

The unaudited pro forma income statements below combine Ingenico's business and all of Sagem's Payment Terminal business for the period from January 1, 2008 to June 30, 2008.

Basis of presentation

Regulatory framework

The unaudited pro forma consolidated income statements are presented in accordance with Instruction No. 2005-11 of December 13, 2005, Appendix II, issued by the *Autorité des Marchés Financiers.* The Instruction stipulates that when the size of the acquiring company increases by more than 25 percent, pro forma financial data must be presented.

This unaudited pro forma information has been prepared in compliance with Appendix II, Pro Forma Financial Information Building Block, of Regulation No. 809/2004 issued by the European Commission, and in accordance with the recommendations issued by the CESR in February 2005 with respect to the preparation of pro forma financial information covered by this Regulation No. 809/2004 on prospectuses as well as in accordance with Instruction No. 2007-05 of October 2, 2007 issued by the *Autorité des Marchés Financiers*.

Pro forma adjustments

To arrive at the pro forma adjustments included in the unaudited pro forma consolidated income statements, the transaction is treated as if it were effective on January 1, 2008.

The unaudited pro forma consolidated income statements are presented for the sole purpose of facilitating comparison. They are not necessarily indicative of the results of operations or related effects on financial position that the combined entity would have attained if the transaction had actually occurred on January 1, 2008. Nor are they necessarily indicative of future results of operations or related effects on financial position, given that they rest on assumptions.

All the pro forma adjustments directly relate to the transaction. Only those adjustments likely to have a recurring impact on the company's consolidated financial statements have been included.

Only those adjustments that can be concretely documented and reliably estimated have been considered. For instance, the unaudited pro forma consolidated income statements do not factor in any cost savings that might result from the elimination of some expenses or the achievement of synergies. Nor do they take into consideration specific factors such as future restructuring or integration costs that the transaction might entail.

Significant assumptions

The information compiled is derived from the historical financial information of both entities. No pro forma restatements aimed at rendering the full-year effect of acquisitions and divestitures carried out by each entity during the period have been performed. In particular, no pro forma adjustments were made to account for Ingenico's acquisition of Landi (China) and Auto Gain (Hong Kong) at the June 30, 2008 reporting date, since the transactions were of limited scope.

Intra-group transactions

All transactions between Ingenico and Sagem Payment Terminals are considered intragroup transactions. There were no intragroup balances and transactions in the period from January 1 to March 31, 2008.

Tax impact

The tax impact of the pro forma adjustments was calculated on the basis of the tax rate in force during the period covered by the pro forma financial information.

Sources of the pro forma information

The unaudited pro forma consolidated income statements for the period from January 1, 2008 to June 30, 2008 were compiled from the following sources:

Ingenico’s consolidated financial statements at June 30, 2008, prepared in accordance with IFRS; note that the statutory auditors performed a limited review of these financial statements.

Financial statements at March 31, 2008 prepared in accordance with IFRS for the entities included in Sagem Payment Terminals; note that the statutory auditors reviewed these financial statements as part of their limited review of Ingenico’s consolidated financial statements at June 30, 2008.

UNAUDITED PRO FORMA CONSOLIDATED INCOME STATEMENTS OF INGENICO AND SAGEM PAYMENT TERMINALS FOR THE PERIOD FROM 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 – Inventories	Adjustment – R&D expenses reclassified	Adjustment – Amort. of intangibles	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 income from ordinary activities						-
Distribution and marketing costs	-23,2	(3,3)			(0,9)	(27,4)
R&D expenses	-28,6	(4,5)		1,1	(2,9)	(34,9)
Administrative expenses	-35,9	(3,0)				(38,9)
Other expenses related to ordinary activities	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
Total 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)
Profit not attributable to the consolidated group	0,0					0,0
Profit/(loss) for the period	9,2	4,1	-	0,7	(2,5)	11,4

Description of the pro forma adjustments included in the consolidated income statements at June 30, 2008

(1) The transactions carried out by Sagem Payment Terminals between January 1 and March 31, 2008 were included in the unaudited pro forma consolidated income statements.

(2) Sagem Payment Terminals' inventories were measured at fair value on March 31, 2008, leading to a €6.1 million adjustment before taxes. They were not measured at fair value at December 31, 2007 for pro forma purposes, since the inventory levels were similar (€20.6 million at December 31, 2007 and €21.7 million at March 31, 2008). Accordingly, the adjustment performed on March 31, 2008 was left unchanged at January 1, 2008. This adjustment has been included in Ingenico's consolidated accounts for the period from January 1, 2008 to June 30, 2008.

(3) Research & Development expenses incurred by Sagem Payment Terminals have been closely monitored (type of costs incurred, including in-house development labor time, amount of costs by kind, project launch dates, etc.), but have only been capitalized since April 1, 2008. The capitalizable R&D expenses recorded by Sagem Payment Terminals in its income statement for the first quarter of 2008 have therefore been eliminated from the unaudited pro forma consolidated income statements and reclassified. For those expenses, the estimated three-year amortization period used by Ingenico for capitalized R&D expenses, calculated from the launch of the related project, is now included under amortization of intangible assets acquired as part of the business combination.

(4) The adjustments to intangible assets stem from amortization in the first quarter of 2008 of intangible assets acquired as part of the business combination, i.e. the acquiree's customer relationships as well as its existing technologies and in-process R&D. Calculated for periods described in the Note on Sagem Payment Terminals' Opening Balance Sheet, this amortization expense was €3.8 million before taxes and €2.5 million after recognition of the related deferred tax for the first quarter of 2008.

2/ Interim management report

Key Figures

(in million euro)	H1'08	H1'08 pro forma	H1'09
Revenue	313,8	366,6	317,7
Adjusted gross profit	116,9	134,4	124,7
as a % of revenue	37,2%	36,7%	39,2%
Adjusted profit from ordinary activities	33,5	40,3	26,7
Adjusted margin on ordinary activities	10,7%	11,0%	8,4%
Profit from operations	15,6	19,6	9,7
Net profit	9,2	11,4	4,8
Net cash	57,5	57,5	90,9
Shareholders' Equity	447,9	447,9	461,6

2.1 Subsequent events during the period

2.1.1 Disposal of Sagem Danemark and Manison Finlande

On June 30, Ingenico finalized the disposal of Sagem Denmark and Manison Finland to BBS, a leading provider of electronic ID, payment and information solutions in the Nordics. The disposal is combined with the signature of a strategic partnership with BBS for the distribution of Ingenico's Telium based terminals in this region and allows the Group to strengthen its financial structure.

2.2 Financials

The interim consolidated financial statements have been drawn up in accordance with International Financial Reporting Standards. To facilitate appreciation of the Group's operating performance, the information they contain has been presented on an adjusted basis, i.e. restated to reflect in particular the amortization expense arising on the acquisition of new entities. Pursuant to IFRS 3, the price paid to acquire new entities is recognized among the assets thereby acquired and subsequently amortized over a specified period of time.
Moreover, the financial information for the first half of 2009, from revenue to operating margin, has been compared to the pro forma information for the first half of 2008, which includes Sagem Monetel from January 1, 2008.

Revenue

(in millions of euros)	H1 2008 Revenue	H1 2008 pro forma revenue	H1 2009 revenue	H1'09/H1'08 pro forma change at current exchange rates	H1'09/H1'08 pro forma change at constant exchange rates
North America	48.6	**52.0**	**44.2**	(15%)	(21%)
Latin America	50.8	**56.9**	**56.8**	0%	+10%
China/Asia-Pacific	20.9	**22.2**	**26.8**	+21%	+30%
EEMEAA*	63.1	**75.7**	**52.1**	(31%)	(28%)
Northern Europe	49.9	**62.0**	**53.9**	(13%)	(7%)
Southern Europe	80.5	**97.7**	**83.9**	(14%)	(14%)
TOTAL	313.8	**366.5**	**317.7**	(13%)	(10%)

* EEMEAA (Eastern Europe, Middle East, Africa and Southeast Asia).

At constant exchange rates, revenue in the first half of 2009 was 10% lower than pro forma revenue in the prior-year first half, with performance holding up well in the second quarter of 2009. During the first half of 2009, Ingenico's business grew substantially in Asia-Pacific (particularly China due to the integration of Landi in July 2008 and Australia) and Latin America, driven the by positive trend in sales in Brazil and Mexico.

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

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

(in millions of euros)	H1'08 pro forma	H1'09
Terminals	114.5	103.8
In % of revenue	*37.9%*	*42.0%*
Software & Services	19.9	20.9
In % of revenue	*30.8%*	*29.7%*
Gross Profit	134.4	124.7
In % of revenue	*36.7%*	*39.2%*

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

Operating expenses under control

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

(in millions of euros)	H1'08 pro forma	H1'09
Sales & Marketing	24.3	24.2
Research& Development	31.0	33.4
General& Administrative	38.8	40.4
Total operating expenses	**94.1**	**98.0**

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

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

Despite lower revenue and thanks to improved gross margin, the adjusted margin on ordinary activities stood at 8.4%, compared to 11.1% in the first half of 2008 (pro forma). This result is in line with Ingenico's full-year target.

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

(in millions of euros)	H1'08	H1'09
Adjusted operating profit from ordinary activities	**33.5**	**26.7**
Adjusted Operating margin	10.7%	8.4%
Operating profit from ordinary activities (IFRS)	23.6	17.4
Other operating income & expenses	(8.0)	(7.7)
Operating profit	**15.6**	**9.7**

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

Financial result

(in millions of euros)	H1'08	H1'09
Interest expenses	(1.2)	(1.0)
Income from cash and cash equivalents	1.5	1.0
Net finance costs	**0.3**	**-**
Foreign exchange gains/losses	(3.0)	(0.4)
Other financial income / (expenses)	0.5	(0.9)
Financial result	**(2.2)**	**(1.4)**

Financial result improved in the first semester of 2009, in particular with the reduction in foreign exchange losses during the comparable period.

Net profit

(in millions of euros)	H1'08	H1'09
Operating profit	**15.6**	**9.7**
Financial result	(2.2)	(1.4)
Net profit before taxes	13.3	8.3
Taxation	(4.1)	(3.5)
Net profit	**9.2**	**4.8**

Thank to decreased operating result combined with relatively stable financial result, net profit before taxes stood at €8.3 million in H1'09 against €13.3 million in H1'08.

Net result stood at €4.8 million in H1'09 against €9.2 million in H1'08, and included a relatively high taxation mostly related to the disposal of Sagem Denmark and Manison Finland.

Changes in working capital requirements in line with Group expectations

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

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

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

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

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

2.3 Subsequent event

Nil.

2.4 Principal risks and uncertainties in the second half

In the second half of 2009, Ingenico faces the same risks as described in the 2008 registration document *(Document de Référence).* The risks that are more specific to the second half have to do with the level of the Group's business activity which depends from the strength of economic recovery and which is likely to reflect the usual seasonal trend of higher revenue and operating profit in the latter half of the year. In addition to the risks identified in the 2008 *Document de Référence,* the profitability of Ingenico in the second half will therefore depend in part on the level of business activity achieved and the implementation of the cost-reduction plan initiated in April.

2.5 Related-party transactions

In the first half of 2009, there were no material transactions liable to be considered new regulated agreements (see Note 14 in the Consolidated Financial Statements).

2.6 Outlook

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

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

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

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

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

Philippe Lazare
Chief Executive Officer

4/ Statutory Auditors' Report on the 2009 interim financial statements

This is a free translation into English of the statutory auditors' review 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.

Ingenico S.A.

Registered office: 192, avenue Charles de Gaulle - 92200 Neuilly-sur-Seine
Share capital: €.48 401 040

Statutory Auditors' Review Report on the half-yearly consolidated financial statements

For the six-month period ended 30 June 2009

To the Shareholders,

Following our appointment as statutory auditors by your shareholders' meeting and in accordance with article L.451-1-2 III of the French Monetary ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Ingenico S.A. for the six-month period ended 30 June 2009,
- the verification of information contained in the half-yearly management report.

These condensed half-yearly consolidated financial statements have been prepared under the responsibility of the Board of Directors, in a context which makes it very difficult to foresee future results. Our role is to express a conclusion on these financial statements based on our review.

Opinion on the consolidated financial statements

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

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

Without qualifying the conclusion expressed above, we draw your attention to the Note 2 “Accounting principles and methods” in the condensed consolidated financial statements describing the new IFRS standards and interpretations applied by the company Ingenico S.A. from 1 January 2009.

Specific verification

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

Paris La Défense, 26 August 2009	Paris, 26 August 2009
KPMG Audit, Dpt of KPMG S.A.	S.A. CGEC
Jean-Pierre Valensi *Partner*	Hervé Vanderbecq *Partner*