# PRESS RELEASE

## RESULTS FOR THE 1ST HALF OF 2006
## OUTSTANDING GROWTH - RETURN TO PROFITABILITY

## - COMMITMENTS MET –

Neuilly-sur-Seine, September 20, 2006

**Revenue: +23% - Income from operations: 5,8% of revenue - Net profit: €8,3 Million**

### A - INTERIM RESULTS

1) Key figures

(in millions of euros)

| IFRS accounting | H1 2005 | H1 2006 |
|---|---|---|
| **Revenue** | **207.4** | **255.2** |
| **Profit from ordinary activities** | **1.1** | **14.7** |
| Other income/(expenses) | (24) | 1.8 |
| Net finance costs | (0.7) | (6.2) |
| **Net profit** | **(24.9)** | **8.3** |
| **Earnings per share** | **N/A** | **0.3** |
| **Total equity (1)** | **101.3** | **103.9** |
| **Net debt/equity (1)** | **0.63** | **0.62** |

*(1) At December 31, 2005.*

2) Business growth has been outstanding.

In the first half of 2006, INGENICO recorded a 23 percent increase in revenue. On a like-for-like basis, the increase would have been 28.5 percent; on a like-for-like basis and at constant exchange rates, 25 percent.

This performance can be attributed in particular to the buoyant growth the Group achieved in Latin America, North America, Australia and Italy.

3) Profit from operations rose sharply to 5.8 percent of revenue.

> Gross margin on the rise

The supply-chain dysfunctions that severely hampered operations in 2005 were eliminated during the second half of 2005 and continued to bring positive effects in 2006.

At the same time, more streamlined shipping operations and lower non-quality costs gave INGENICO greater control over indirect production costs, which led to a 2.3-percent improvement in gross margin.

> Operating expenses under control

Operating expenses showed a 10-percent increase:

• Distribution costs were held to much the same level as in 2005. They were equal to 6.3 percent of sales, versus 7.5 percent in the first half of 2005.

• The increase in R&D expenses in absolute terms chiefly reflects the amortization of expenses previously capitalized in accordance with IFRS. These expenses totaled 8.4 percent of revenue, down from 8.6 percent in 2005.

• Administrative expenses showed a 6-percent increase. They amounted to 10.5 percent of revenue, versus 12.2 percent in the first half of 2005.

At June 30th, the Company had a workforce of 1,110 permanent employees, down from 1,128 at December 31, 2005 and 1,269 at June 30, 2005. This reflects the Company's determination to keep costs firmly under control as its business continues to grow.

Operating expenses thus totaled 25.3 percent of revenue, versus 28.3 percent last year, marking a 3-point improvement.

These different developments combined to provide INGENICO with an operating profit margin of 5.8 percent, higher than the 5 percent figure announced to the market, with profit from operations totaling €14.7 million, up from €1.1 million last year.

4) Non-recurring items under commitments made by the Company in 2005 generated €1.8 million, raising profit from operations to €16.5 million:

| | |
|---|---|
| • Unused litigation provision: | €2.0 million |
| • Restructuring charges: | €(2.2) million |
| • Disposals of non-strategic assets: | €2.8 million * |
| • Miscellaneous write-downs: | €(0.8) million |
| • TOTAL | €1.8 million |

(*) Disposals of subsidiaries ITS, Debitek and INGENICO AB, finalized during the first quarter of 2006, in line with commitments made by the Group in 2005.

5) Finance costs:

Total finance costs primarily include the following items:

| | |
|---|---|
| • Net finance costs: | €(3.8) million |
| • Other financial income/(expenses): | €(2.5) million |

Other financial income/(expenses) mainly consisted of foreign exchange losses (- €3.2 million) resulting from the sharp depreciation of the U.S. dollar during the first half of 2006, including an unrealized loss

(- €2 million) from remeasuring at fair value the instruments used to hedge the Group's foreign currency exposure outstanding at June 30th. These instruments were used to hedge U.S. dollar purchases until the end of 2006 and are considered speculative instruments under IAS 39.

6) Net profit was significantly higher.

Profit before income taxes was €10.2 million, in sharp contrast to the €23.9-million loss booked in 2005. Income taxes for the period amounted to 20 percent of earnings, due to loss carry-forwards. This resulted in a net profit of €8.3 million, equal to 0.3 cents per share.

7) Cash and cash equivalents and net debt

> Group operating activities generated €2.8 million in cash over the period, in spite of a negative change in working capital requirements (due chiefly to the higher inventories needed to keep pace with business growth).

> The Company invested a full €4.8 million over the period. In addition, the Company carried out the previously announced divestitures, thus following through on its commitments. The disposal of three subsidiaries (ITS, Debitek and INGENICO Sweden) increased total cash by €10.5 million.

> Net debt, before Company purchases of treasury shares, decreased by €6.4 million. After Company purchases of treasury shares – €7.5 million during the first half – net debt totaled €64.6 million, yielding a net debt-to-equity ratio of 62 percent, versus 63 percent at December 31, 2005.

**B- OUTLOOK**

INGENICO will be maintaining its efforts aimed chiefly at expanding the Group's global footprint and boosting profit margins.

New product launches (single-application terminals), a more streamlined product range, the promotion of solutions dedicated to retail following the merger with MoneyLine(1) and the Group's entry into new markets such as Russia and India all offer new opportunities that INGENICO intends to leverage. At the same time, the Group will be maintaining its cost-control policy to guarantee profitable growth.

"Thanks to the plan of action unveiled a year ago, INGENICO will be generating profits again as of this half year. And the trend will continue over the coming months. We owe this performance to the Group's sound fundamentals, which allow us to achieve profitable growth and stay ambitious," declared INGENICO CEO Amedeo d'Angelo.

*(1) See press release of this same date on the planned merger-absorption.*

The Group's complete financial results have been posted on the INGENICO website.