ingenico

beyond payment

HSBC COOP BEST BUY BANRISUL REPSOL BNL GETNET AUCHAN AMERICAN EXPRESS MPASS COLES JCDECAUX DOUGLAS CITI VISANET NETS REAL TOYS"R"US TCHIBO GARANTI SIEMENS BNL CRÉDIT MUTUEL GOOGLE HIPERCARD BARCLAYCARD FINO CRÉDIT AGRICOLE EL CORTE INGLÉS FORTIS AKBANK BANK RAKYAT SATURN MAX BAHR LASER SANTANDER CENTRAL BANK OF NIGERIA POLISAN MANDIRI BANK OF CHINA CIELO APPLE RUNNERS POINT DESJARDINS BANESCO RYANAIR RBM REDEBAN MULTICOLOR IKEA ELECTRO WORLD WALMART VOTLAGE SECURITY VEOLIA TRANSPORT MTN WEMPE MPASS GLOBUS VISA PAYNET REAL CARGLASS CEPSA BP VOLKSWAGEN MEDIMAX BBVA REPSOL GHANA NATIONAL LOTTERY BOULANGER MCDONALD'S YAPI KREDI THE HOME DEPOT METRO

REGISTRATION DOCUMENT

2011

CEPSA CRÉDIT MUTUEL CIC CRÉDIT MUTUEL MEDIA MARKT NLA BRADESCO MEDIMAX AVIS REDECARD MAX BAHR BANK ASYA BANK BRI FORTIS CREDICARD MONEYGRAM WMF POSTE ITALIANE SATURN BEST BUY PAYPAL GTBANK TUI AIR FRANCE MASTERCARD RATP MEYPAR DOUGLAS

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Registration document **2011**

ANNUAL FINANCIAL REPORT

The present Registration Document (RD) contains all of the information encompassed by the Annual Financial Report.

This document is a free translation of the French language reference document that was f led with the *Autorité des marchés financiers* (the "AMF") on 29 March 2012.

It has not been approved by the AMF. This translation has been prepared solely for the information and convenience of English-speaking readers. No assurances are given as to the accuracy or completeness of this translation, and INGENICO assumes no responsibility with respect to this translation or any misstatement or omission that may be contained therein. In the event of any ambiguity or discrepancy between this translation and the French registration document, the French reference document shall prevail.

In accordance with the General Regulation of the *Autorité des marchés financiers*, notably Article 212-13, the French language version of this document was filed with the *Autorité des marchés financiers* on 29 March 2012.

This document may only be used in connection with a financial operation if it is completed by a prospectus which has received the visa of the *Autorité des marches financiers*. This document has been prepared by the issuer under the responsibility of its signatories.

This document is available on the INGENICO internet website: **www.ingenico.com**

General comments

In the present Registration Document:

- "Ingenico SA" or "Company" means Ingenico – the company listed on Euronext Paris; and
- "Group" or "Ingenico" means the Group including Ingenico SA and all of the subsidiaries and equity interests directly or indirectly held by Ingenico SA.

The present Registration Document provides indications on Group guidelines and outlooks. These indications might be identified by the use of the future or the conditional tense or the use of prospective terms such as "think", "aim at", "expect", "mean", "should", "ambition", assess", "believe", "wish", "could" etc. This information is based on data and hypothesis and estimates which are deemed reasonable by the Group. They are subject to possible developments or changes due to the uncertainties related to the evolution of the economical, financial, competitive and regulatory environment. Additionally, the materialization of some risks described in Chapter 1 of the present Registration Document might have an impact on the Group business and the Group's ability to achieve its guidelines. Also, the achievement of the guidelines implies the achievement of the strategy set forth in Chapter 1 of the present Registration Document.

The Group doesn't make any commitment and doesn't give any warranty on the achievement of the guidelines provided in the present Registration Document.

The prospective statements and guidelines provided in the present Registration Document might be affected by known or unknown risks, uncertainties or other factors which could bear consequences on the Group's future results, performances and achievements, such that these might significantly vary from the stated or suggested guidelines. These factors could include developments of the economic trend, the regulation and other factors set forth in Chapter 1 of the present Registration Document.

Investors are invited to attentively consider the risk factors described in Chapter 1 of the present Registration Document. The occurrence of all or part of these risks could have a negative impact on the business, the state and the income of the Group or its guidelines. Moreover, other risks, not yet identifiable or considered insignificant by the Group, could have a similar negative effect.

The present Registration Document additionally includes information on the markets on which the Group is listed. This information comes from information on display and studies made by external sources. It is possible that they might be erroneous or not updated. The Group business could consequently develop in a manner different from the one described in the present Registration Document.

In compliance with Article 28 of the (CE) Regulation n° 809/2004 of the European Commission dated April 29, 2004, the following information are included in the present Registration Document:

- the consolidated financial statements and the related statutory auditors' report for the year ended on December 31, 2010 provided at page 32 to 123 of the present Registration Document for the year ended on December 31, 2010 registered with the AMF on March 2, 2011 under number D.11.0084;
- the consolidated financial statements and the related statutory auditors' report for the year ended on December 31, 2009 provided at page 36 to 108 of the present Registration Document for the year ended on December 31, 2009 registered with the AMF on April 8, 2010 under number D.10.0229.

1

PRESENTATION OF THE GROUP

1.1 KEY FIGURES

(in millions of euros)	2011	2010 pro forma	2010 reported	2009
Revenue	1001.1	926.6	907.0	700.7
Adjusted gross profit	416.8	372.4	366.1	270.9
As a % of revenue	41.6%	40.2%	40.4%	38.7%
Adjusted operating expenses	(262.5)	(247.4)	240.4	190.8
EBIT	**154.6**	**125.0**	**125.7**	**80.1**
As a % of revenue	15.4%	13.5%	13.9%	11.4%
Profit from operating activities	110.8	-	73.8	47.4
Net Profit	58.0	-	39.6	26.8
Net Profit attributable to shareholders	56.5	-	39.6	26.8
EBITDA	183.6	166.7	165.9	105.4
As a % of revenue	18.3%	18.0%	18.3%	15.0%
Net debt	109.6	-	109.1	144.4
Equity attributable to shareholders	623.5	-	545.6	493.1

1.2 HISTORY OF THE GROUP

1980

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

1984

Launch of the first magnetic stripe and chip smart terminal

1985

Listing on the Second Marché of the Paris Stock Exchange

1987-2001

Rapid and international growth

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

2006

Business transformation.

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

2007

Return to profitability

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

2008

Consolidation of world leadership in payment terminals

- Ingenico acquired the payment terminal business of Sagem Sécurité (Sagem Monetel)
- Ingenico acquired a 55-percent interest in Fujian Landi, China's second largest terminal provider

Launch of range of international, cross-border, terminal-based services

2009

Acceleration of Group profile shift

- Ingenico's first major international deals demonstrated that its focus on services is a winning strategy
- Ingenico acquired easycash, a leading German payment services provider

Launch of new generation of payment terminals and Beyond Payment terminals

2010

Implementation of 2010-2013 strategic plan

- Integration with easycash yielded first proceeding success
- Presentation of 2010-2013 strategic plan
- The Group stepped up its value-added service strategy by acquiring controlling interests in First Data Ibérica (now Ingenico Services Iberia), TransferTo, Payzone (now Ingenico Prepaid Services France) and Ingeserve
- The new terminal range derived from the Telium2 platform gained traction as PIN PADs, mobile terminals and signature capture devices were launched

2011

Confirmation of the Group's profile evolution

- Revenue over €1 billion
- 31%: share of servicing, maintenance and transaction servicing
- International deployment of easycash (Belgium, Austria)
- Partnerships with new players of the payment ecosystem (Google)
- Acquisition of Xiring leader of electronical health solutions
- Launch of a new generation of mobile terminals (iWL, iSMP, etc.)

1.3 ORGANIZATIONAL CHART

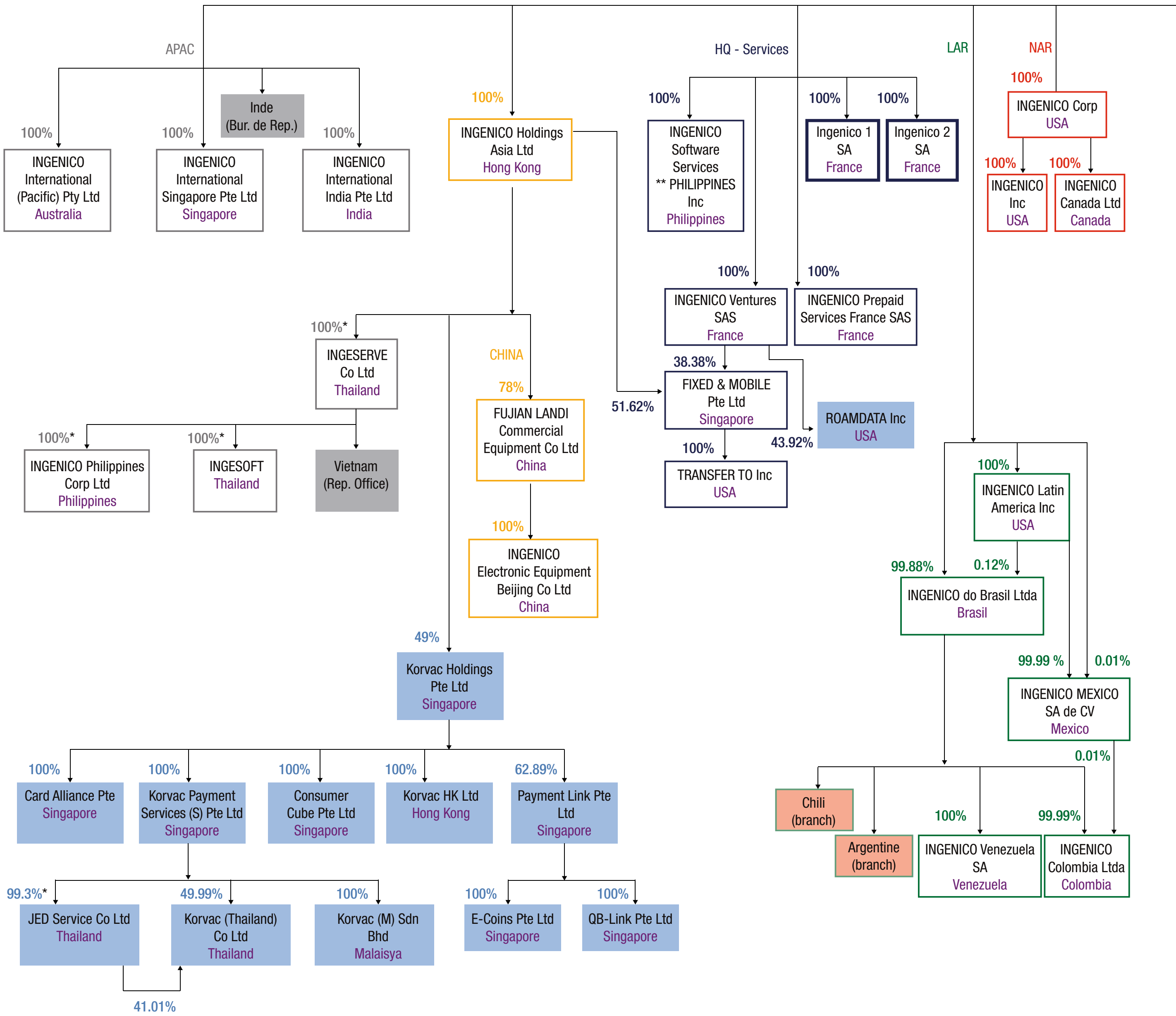
Ingenico, a French law company, consolidated all the companies set forth in Note 5 of the consolidated financial statements in Chapter 5 of the present Registration Document. Ingenico directly or indirectly holds 100% of the share capital and voting rights of its main operational subsidiaries.

The organization chart in the following pages show the structure of the Group as at December 31, 2011.

The percentage of the share capital held in each of these entities is identical to the percentage of voting rights.

INGENICO GROUP ORGANIZATIONAL CHART

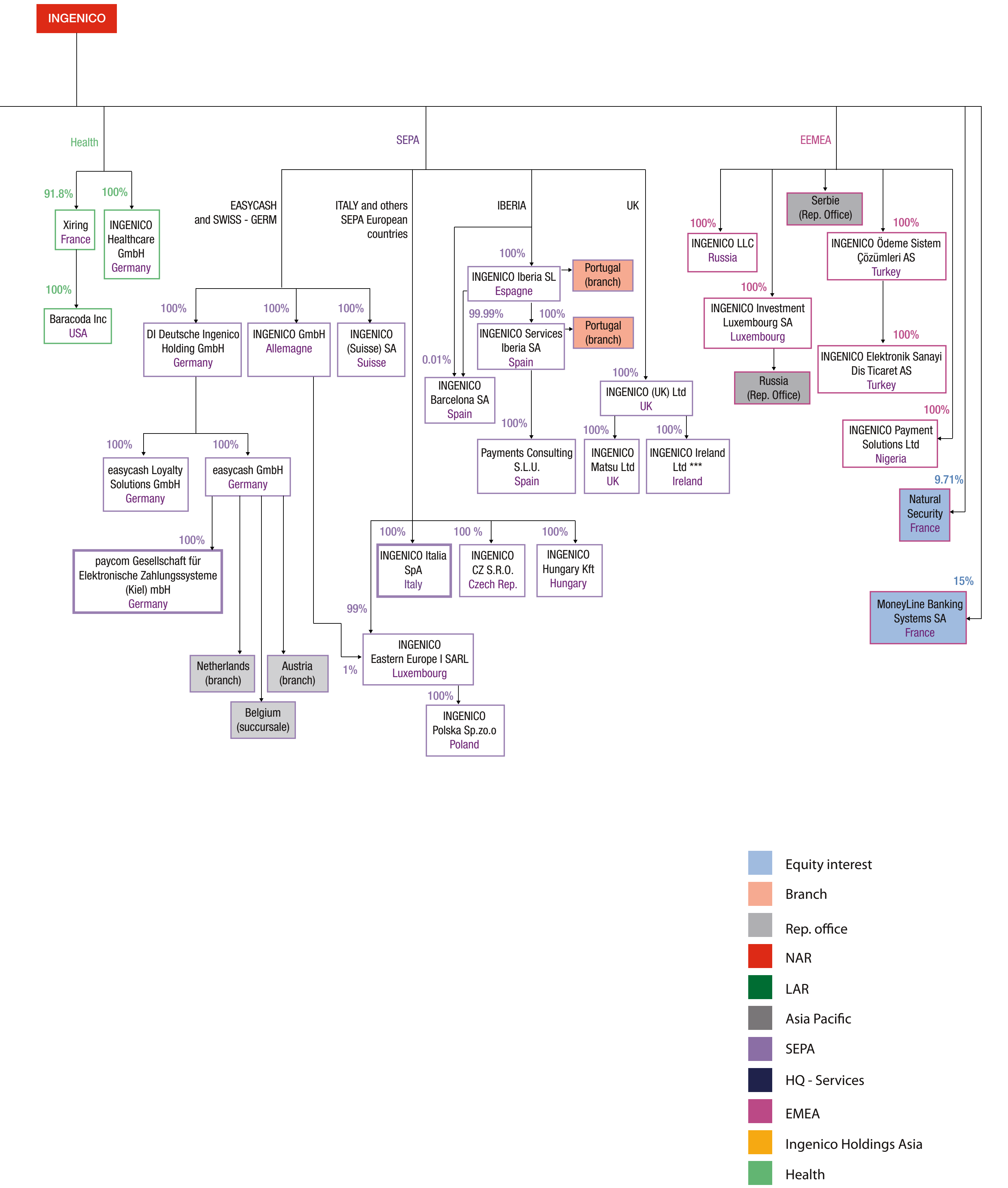
(as at December 31, 2011)



* including indirect equity interest

** in process of being wound up or closed

*** dormant


INGENICO
Health
SEPA
EEMEA
91.8%
Xiring France
100%
INGENICO Healthcare GmbH Germany
100%
Baracoda Inc USA
EASYCASH and SWISS - GERM
ITALY and others SEPA European countries
IBERIA
UK
100%
DI Deutsche Ingenico Holding GmbH Germany
100%
INGENICO GmbH Allemagne
100%
INGENICO (Suisse) SA Suisse
100%
easycash Loyalty Solutions GmbH Germany
100%
easycash GmbH Germany
100%
paycom Gesellschaft für Elektronische Zahlungssysteme (Kiel) mbH Germany
Netherlands (branch)
Austria (branch)
Belgium (succursale)
100%
INGENICO Iberia SL Espagne
Portugal (branch)
99.99%
100%
INGENICO Services Iberia SA Spain
Portugal (branch)
0.01%
INGENICO Barcelona SA Spain
100%
Payments Consulting S.L.U. Spain
100%
INGENICO (UK) Ltd UK
100%
INGENICO Matsu Ltd UK
100%
INGENICO Ireland Ltd *** Ireland
100%
INGENICO Italia SpA Italy
100 %
INGENICO CZ S.R.O. Czech Rep.
100%
INGENICO Hungary Kft Hungary
99%
1%
INGENICO Eastern Europe I SARL Luxembourg
100%
INGENICO Polska Sp.zo.o Poland
Serbie (Rep. Office)
100%
INGENICO LLC Russia
100%
INGENICO Ödeme Sistem Çözümleri AS Turkey
100%
INGENICO Investment Luxembourg SA Luxembourg
Russia (Rep. Office)
100%
INGENICO Elektronik Sanayi Dis Ticaret AS Turkey
100%
INGENICO Payment Solutions Ltd Nigeria
9.71%
Natural Security France
15%
MoneyLine Banking Systems SA France
Equity interest
Branch
Rep. office
NAR
LAR
Asia Pacific
SEPA
HQ - Services
EMEA
Ingenico Holdings Asia
Health

1.4 ACTIVITIES & STRATEGY

1.4.1 PRESENTATION OF THE GROUP

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

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

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

In 2010, the Group starts carrying on its 2010–2013 strategic plan as described in the "trends" section. It consolidated its leading position in Payment Terminals, completing the renewal of its latest product range. At the same time, Ingenico expanded its transaction management and value-added service offer through a series of targeted acquisitions and investments, i.e. First Data Ibérica (now Ingenico Services Iberia), Payzone France (now Ingenico Prepaid Services France formerly) and the taking of a controlling interest in TransferTo.

In 2011, the Group generated revenue over €1 billion and confirmed its strong position on the payment terminals market by leveraging on its geographical footprint, based on the dynamics of emerging markets and on its continued technological innovation policy through the launching of innovative mobile terminals (iSMP, iWL…). The agreements signed with Google and PayPal in the United-States illustrates the strong position of Ingenico in the payment ecosystem.

The Group also benefited from a fast development of its transactions business through a wider local presence of easycash in Germany, Belgium and Austria and the development of TransferTo's business, thereby generating a larger share of recurring revenue.

1.4.2 INGENICO, THE GLOBAL LEADER IN PAYMENT TERMINALS

1.4.2.1 Leadership built on market consolidation

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

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

The Group ended the year 2011 with an installed base of some 17 million terminals.

1.4.2.2 Global presence, local focus

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

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

This international presence enables the Group to accompany its clients in the development of cross-border solution by leveraging on its global management systems.

1.4.2.3 Balanced presence in both mature and emerging markets

Overall, the Group has a strong position in mature markets [3], which accounted for 55 percent of Group revenue in 2011. It still can capture significant growth potential in those countries, especially in regions where its market share is still limited. Its main growth drivers are replacement of end-of-life devices in POS estates (after an average of 5 years), compliance with the new PCI PED 2.0 and EMV security standards and customer interest in new features such as fast check-out functions, colour screens, mobile terminals and contactless payment.

The Group has also a significant presence in emerging markets [4], which are definitively growth drivers accounting for 45 percent of Group revenue in 2011 compared with 41% in 2010. In China, India and most other emerging markets, growth comes from first-time purchases, fuelled primarily by an increasingly "banked" middle class and efforts by authorities in those countries to promote that trend as a means of boosting tax collection. Due to the market structure in such emerging countries as Brazil or Turkey, the penetration rate of payment terminals is relatively high. In the emerging countries as a whole, the non-payment transactions market (e.g., top-up, prepayment, micro-credit) also represents a market with strong potential.

(1) Position maintained in 2011, according to terminals business (hardware and maintenance) revenue figures released separately by Ingenico, VeriFone, Hypercom and PAX.

(2) Market estimate based on the volume of terminals in the 2011 Nilson Report, and on the average selling and maintenance price estimated by Ingenico. Estimate checked against revenue reported by Ingenico, VeriFone, and PAX.

(3) Mature markets are Europe-SEPA and North America. Revenue from those markets is described in chapter 4 of the present registration document.

(4) Emerging markets are Latin America, Asia-Pacific and EEMEA. Revenue from those markets is described in chapter 4 of the present registration document.

1.4.2.4 Outsourced production

Since 2006, Ingenico's production has been outsourced entirely to top-tier industrial partners. The Group now mainly works with two of the world's five largest electronics systems subcontractors, Flextronics and Jabil.

Stemming from Ingenico's on-going efforts to streamline manufacturing, manufacturing plants which the group relies on are now located primarily in Asia for the world market and in Brazil for that country's market. This manufacturing flexibility enables us to adjust output up or down, depending on demand, and to maximize procurement efficiency. The terrible events which occurred in Japan demonstrated how reliable this policy is.

1.4.2.5 Banking and large-scale retail – our key market

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

The acquirer market

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

Acquirers are not terminal users but suppliers of payment terminals to merchants in the independent retail, food and hospitality sectors. The world's biggest banks, from Barclays, Crédit Agricole, Crédit Mutuel and Garanti Bank to Bank of China and Bank of America, make Ingenico their trusted choice. Ingenico also works with large-scale acquirers such as those operating in Brazil.

The large-scale retail market

Ingenico's other key market is large-scale retailing, in which it boasts such world-class customers as Home Depot, Safeway, Walmart, Auchan, Carrefour, BestBuy, Globus, Boulanger… as well as retail chain heavyweights like McDonald's, Starbucks Coffee, Quick, Zara and others.

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

Vertical markets

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

With the acquisition of Xiring in December 2011, the Group set a division dedicated to the Healthcare market to support countries whiling to control their healthcare expenses. The very strong position of Xiring particularly in France completes Ingenico's position like in Germany.

Developing direct access to merchants

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

The acquisition in 2010 of Payzone France (now Ingenico Prepaid Services France) and First Data Ibérica (now Ingenico Services Iberia) has further increased Ingenico's direct access to merchants in France, Spain and Portugal.

In 2011, easycash strengthened its commercial position in the North of Germany through the acquisition of paycom which has an installed base of 8500 terminals and began the international development of its services. In Belgium, the acquisition of over 2000 terminals installed by BTG enabled it to speed up the development of its "one stop shop" offer. On December 31, 2011 easycash operated services for over 500 merchants. easycash opened premises in Austria during the third quarter where initial contracts were signed and associated services installed.

1.4.2.6 Partner of new entrance into the payment ecosystem

On mid-2011, Ingenico signed an agreement with Google in the framework of the Google wallet electronic wallet project to enable end-users to use their mobile phone to pay and also to benefit from service offers such as the use of couponning or gift cards or to gain loyalty points…

In January 2012, Ingenico also announced the launching of a new PayPal payment solution in the United-States to enable its clients to use their accounts to pay in shops that are equipped with an Ingenico terminal.

Through these partnerships, Ingenico positions itself in the payment ecosystem as a facilitator for the development of new means of payment which constitute new sources of income for merchants while enhancing consumers' purchasing experience. Ingenico also demonstrates its ability to enter into partnerships with new players in payment ecosystem.

1.4.3 TECHNOLOGY LEADERSHIP IN PAYMENT TERMINALS

1.4.3.1 Sustained policy of innovation

In the payment terminal market, constantly changing technology and regulations make innovation and R&D crucial levers for differentiation. In 2011, the Group continued to invest significantly in Research and Development and spent 8% of its income in R&D while dedicating 850 employees, i.e. 25% of the Group workforce.

After having focused on ergonomics, design, screens, and multimedia capabilities in 2010, Ingenico maintained its commitment to innovation in 2011, with a particular focus on the progressive generalization of the contactless technology, the mobility (iSMP, iWL) and the integration of new payment means and particularly through the loyalty programs and virtual electronic wallets offered by new comers such as Google and PayPal.

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

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

Cutting age of innovation: the ISMP

Ingenico created the iSMP, an integrated and totally mobile cash-out device in a terminal of 10 by 6 cm terminal, by combining a multiple payment solution (EMV chip and PIN code, magnetic stripe and contactless cards) and an Apple iPhone® or iPod Touch®.

With the iSMP, Ingenico has revolutionalized the notion of point of sales by enhancing cash-out capacities, significantly reducing the payment transaction time and therefore increasing the transformation rate of the sales and the consumer's satisfaction. In 2011, Ingenico equipped shops in various European countries.

A single platform, Telium 2

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

By focusing on a single operating system – Telium 2 – on a global scale, the Group has a great flexibility to develop universal payment solutions and loyalty solutions for clients who have ambitions in several countries.

An historical EMV expertise

Ingenico began 30 years ago in the country which invented the chip card. All the payment and secured transactions management culture related to the EMV standard are in the Group's DNA. The standard was widely adopted throughout the World [(1)] and the United-States stated that they intended to adopt this standard.

Security

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

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

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

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

(1) According to an EMVCo press release dated May 21, 2011, 71% of the terminals installed in the world (except in the United-States) integrate the EMV standard.

1.4.3.2 A comprehensive, innovative range of terminals

The renewal of the product range initiated in 2009 meets three objectives:

- bring the range of terminals produced by Ingenico and Sagem Monetel into alignment on the Telium2 platform, whose high-performance architecture delivers transaction speed and reliability that are market benchmarks;
- respond promptly to merchants' new expectations in terms of mobility (e.g. Wi-Fi, GPRS and 3G), contactless payment and user-friendly interface (e.g. color screens, touch screens);
- encourage users to move "beyond payment" by proposing value-added services to generate extra revenue streams.

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

1.4.3.3 More and more sophisticated terminals

Overall, the degree of sophistication of new terminals increases regularly and becomes more similar to that of the mobile phone world: screens are smaller, terminals are more mobile and can support new applications.

Strong development of mobility

In 2011, Ingenico significantly enhanced its mobile terminals range. While the launching of iSMP was a success and the iPA made breakthroughs – particularly with the delivery and the airways markets, the Group developed a new range of iWL mobile terminals addressing traditional and sophisticated payment means.

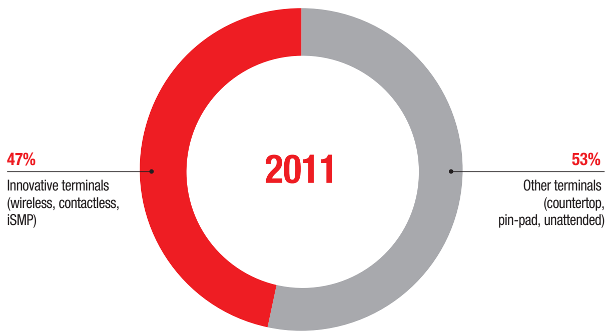
These terminals are even more compact and embarke more advanced functionalities (i.e. touch screen) and cover all customers need for multi-country and multi-channels solutions.

Generalization of the contactless

The Group has widely integrated the NFC (Near Field Communication) contactless payment technology which is ideal for small amounts by card or by mobile phone to reduce transaction time. Ingenico NFC solutions also provide access to couponing offers and loyalty programs. In 2011, Ingenico almost doubled the number of NFC compatible terminals and more than 21% of the terminals sold to merchants use this technology. All of the new range of terminals include the contactless technology which can be activated upon customers' demand.

An increasing contribution of sophisticated transactions to Group sales

CONTRIBUTION TO INNOVATIVE TERMINALS (WIRELESS, CONTACTLESS, ISMP) TO THE TERMINALS (HARDWARE) REVENUE.



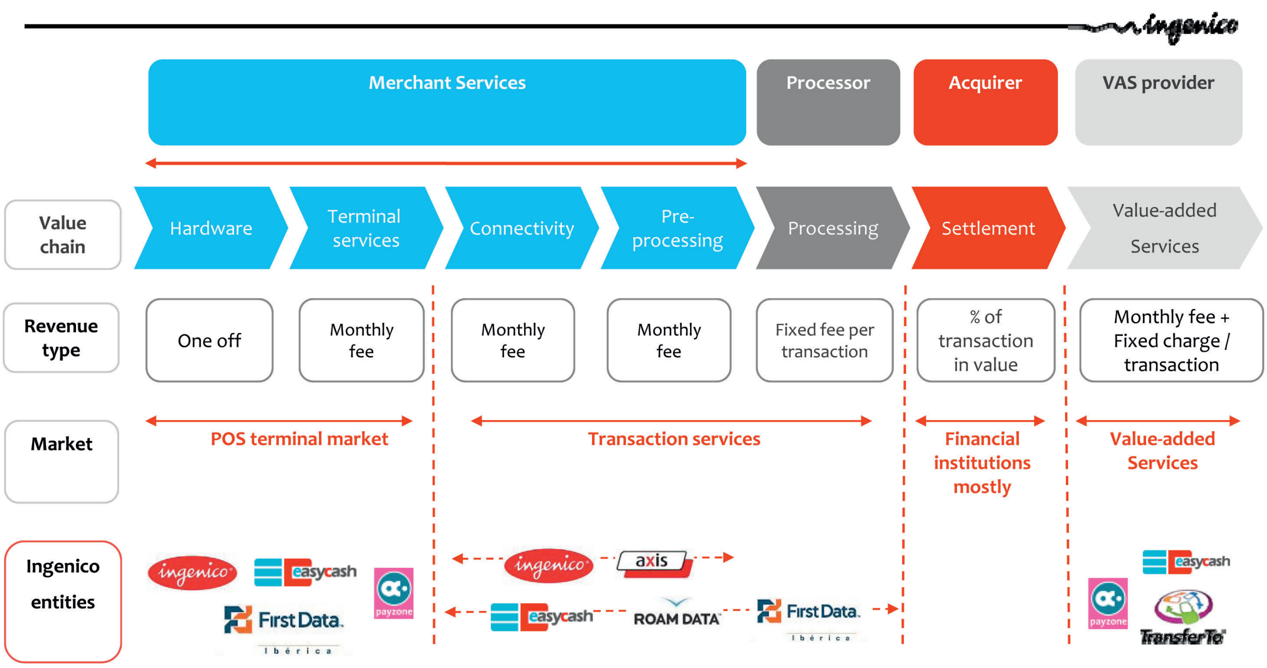
1.4.4 FROM HARDWARE TO SERVICES AND SOLUTIONS

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

1.4.4.1 A complete international and cross-border payment solution

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

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



The solution is organized around the following:

- payment terminals and software;
- terminal estate management, including security application updates;
- connectivity ensuring the terminal-to-bank host connection;
- full after-sales service taking charge of every phase in the lifecycle of terminals and software, 24/7, from installation, maintenance and repair to upgrades;
- centralization of transactions (Axis);
- end-to-end security – from terminal to bank or processor;
- value-added services.

What differentiates the Group is its ability to meet the demand of its banking and retail customers for optimized cross-border and international solutions through its presence in many countries and a payment service offer supported by the service expertise such as easycash's and a PCI DSS certified global platform.

In 2011, the Group showed its ability to develop its Axis offer for large-scale distribution brands out of France and specifically in the United-Kingdom and in Spain. Ingenico was chosen by Avis a worldwide car rentals player, for its payment solutions in around twenty countries based on the centralized Axis platform.

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

1.4.4.2 Multi-channel payment solution

With the evolution of the merchant-client relationship through the increasing importance of mobility, of the contactless technology and Internet, merchants today are confronted with a broad spectrum of sales channels, ranging from stores to the Internet to call centres. However payment remains key and managing all these different channels requires the support of a variety of partners and solutions with major implications in terms of cost and consistent infrastructure.

Online payments

By leveraging on its historical expertise and by adding an ePayment solution to its centralized Axis offer, Ingenico can now provide merchants with a comprehensive view of all their online and in-store payment transaction through a single supplier. The Group intends to leverage its solid relationships with major retailers, particularly through Axis in France, to promote online payment, with first solutions deployed in 2011. In 2011, Ingenico signed a partnership agreement with the CGR group, the third cinematographic distribution circuit in France, for the online sale of movie tickets.

Mobile payment

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

The Group deploys its mobile strategy on the transformation of mobile terminals (smartphone or pads) into payment systems and on the payment by mobile phone by getting into partnership agreements with Google and PayPal.

Likewise, in the same vein as iSMP, ROAM Data held up to 43.9% by the Group as at December 31, 2011 designed a peripheral turning any type of smartphone into a payment card acceptance device. The ROAM Data solution completes Ingenico offers and specifically addresses low cost mobility issues for small merchants who are not equipped with payment terminals.

Ingenico believes that mobile phones will be used increasingly to make payments, particularly in mature countries with the development of couponing and loyalty offers and also in emerging countries where a large share of the population is often "unbanked". This illustrates Group increasing presence in mobile payment companies.

1.4.4.3 Taking users "beyond payment" with value-added services

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

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

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

- Air time solutions (TransferTo). TransferTo operates an international network for remote top-up of prepaid mobile phone accounts via SMS, thus enabling users with family and friends in other countries to send small amounts of money in the form of extra airtime anywhere in the world. TransferTo has strengthened its presence in the Far East, the Middle East and Africa, and now provides service in France as well, thanks to a new partnership with SFR;
- loyalty card processing (easycash). easycash holds the number-one position in loyalty card and gift card processing. easycash offers an integrated, end-to-end solution, from card issuance to flow management;
- prepaid card processing. The easycash platform enables the processing of prepaid cards thereby offering merchants with an efficient tool for client loyalty and useful for the end-client. A partnership with LaSer was actually developed to this effect;
- mobile phone top-ups (Ingenico Prepaid Services France - IPS). IPS manages a single merchant base and provides mobile phone refill cards to all of France's mobile carriers. Through its platform, Ingenico Prepaid Services France can also market a number of value-added services such as money transfers and music downloads in addition to its basic top-up service;

- private-label card management (Ingenico Services Iberia - ISI). ISI processes payments made by private-label cards in Spain, with a special focus on petrol stations, where the company also manages transactions made with universal payment, loyalty, prepaid and gift cards;
- electronic payment of fines through partnerships, notably in the United Kingdom;
- other services such as dynamic currency conversion.

The Group aims at consolidating together these different solution modules through Incendo Online platform to provide value-added services on terminal estates.

1.4.4.4 A service offer covering a range of vertical solutions

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

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

With the acquisition of XIRING in December 2011, the Group has enhanced its presence in the solutions dedicated to the healthcare market and increased its recurrent transactions based revenue related to transactions. Number 1 on the health market in France, XIRING provides services to more than 25,000 health professionals and covers all their needs: from services related to terminals to the processing of secured transactions. While more and more countries seek to control their health related expenses, Ingenico proves to be a worldwide operator with an expertise in secured solutions dedicated to this sector.

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

1.4.5 A COMPETITIVE PAYMENT MARKET

1.4.5.1 A concentrated POS terminal market

Market consolidation

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

- VeriFone's acquisition of Lipman in April 2006;
- The Ingenico and Sagem Monetel merger in March 2008;
- Hypercom's purchase of the Thalès e-Transactions unit in April 2008;
- VeriFone's buyout of Gemalto's payment terminal business in December 2010;
- VeriFone's purchase of Hypercom's business (safe for the United-States, Spain and the United-Kingdom) in August 2011.

In value terms, these transactions left the two global players with an estimated 80 to 85 percent (1) of the market in 2011. Ingenico is also be competing with local providers, such as Pax in China.

In 2011, Ingenico reinforced its leadership, with a stable estimated 37-percent (1) market share in value of the payment terminals market.

High barriers to entry

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

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

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

1.4.5.2 A fragmented market for card payment services

The card payment services market is significant (worth an estimated €10 billions (2)), fragmented and local, with different payment applications implemented in each country. Although there are many players in the value chain, few offer global solutions.

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

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

1.4.6 AN ORGANIZATION BASED ON A STRONG REGIONAL PRESENCE

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

By the end of 2011, the Ingenico employs close to 3,600 employees around the world, a 16% increase over to 2010. This increase primary comes from Asia-Pacific (including China) and on EEMEA along with acquired companies.

(1) Position maintained in 2011, according to terminals business (hardware and maintenance) revenue figures released separately by Ingenico, Verifone, Hypercom and PAX.

(2) Market estimate based on the volume of terminals in the 2011 Nilson Report, and on the average selling and maintenance price estimated by Ingenico. Estimate checked against revenue reported by Ingenico, Verifone and PAX.

The Group's organization is as follows:

- central operations supporting functions at Group level (particularly Finance & Support, Operations and R&D, Global Solutions Sales and Marketing, Technologies & Infrastructure) and including businesses that are operated on an international basis and monitored at Group level (Xiring and TransferTo);
- accounting for more than 80% of the work force as of December 31, 2011 to provide customers with taylor made solutions;
  - SEPA, which includes the main markets impacted by the new Single Euro Payments Area;
  - EEMEA, which includes the other European countries, the Middle East and Africa;
  - LAR, which includes the Latin American markets;
  - NAR, which includes the United States and Canada;
  - Asia-Pacific, which includes Southeast Asia, Australia and China.

The regional organizations enable a faster decision taking, a greater efficiency and a better interaction between the Group and the regions.

The Group is led by a Management Board, chaired by Philippe Lazare, responsible for guaranteeing operational performance and achieving more efficient deployment of the Group's strategy.

On March 19, 2012, the Group announced new appointments to the Management Board and the implementation of a Finance and Operations Management managed by Patrice Durand.

1.5 RISKS

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

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

The process for risk management are detailed in the Report of the Chairman of the Board of Directors on Corporate Governance and Internal control of risk management as provided under section 3.3 of the present registration document.

1.5.1 BUSINESS AND STRATEGIC RISKS

1.5.1.1 The risk of not meeting targets

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

- increase revenue from the Group's historical payment terminals business;
- increase revenue from the Group's transaction and services business, based on the development of easycash, the internationalization of easycash transaction management services and on the sales of these value-added services;
- maintain profit margins on payment terminals business;
- streamline and effectively leverage technical infrastructure and platforms of the recently acquired businesses in Transactions;
- control operating, developing services and solutions costs;

Through its monthly performance analysis and regular earnings forecasts, financial management regularly informs the Board of Directors of results and any possible fluctuations in results.

However the Group's business, results of operations and financial condition could be affected if:

1) the Group fails to achieve all or some of its targets;
2) if the prices on the payment terminals decreased significantly and continuously;
3) if the increase of the demand for payment terminals slowed down;
4) if the volume of transactions generated decreased significantly.

1.5.1.2 Incremental financing risk

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

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

The Group cannot be sure to have the adequate financing at the right time, and without it, its ability to grow could be adversely affected. However, the Group does have unused sources of financing as described in Note 4 to the consolidated financial statements provided in chapter 5 of the present RD and have also introduced a decision-making process designed to anticipate future needs.

1.5.1.3 Risks related to the Group's dependence on specific suppliers

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

1.5.1.4 Component sourcing risk

Ingenico orders components directly. Because component shortages are a clearly identified risk in the electronics industry, the Group takes all due care to monitor industry forecasts, and the Operations Department checks those forecasts against the Group's sales forecasts in order to prevent the risk of components shortages. To better anticipate sourcing disruption risks caused by shortages, supplier delinquency or by natural risks, a multisourcing policy is consistently carried out when possible or else safety stocks are formed for critical monosource components. Moreover, some key suppliers are requested to have two production sites for sensitive components. This course of action proved to be efficient in 2011 as the Group's hardware manufacturing was not impacted by the earthquake in Japan nor by the floads in Thailand.

1.5.1.5 Risks related to hardware manufacturing and service provision

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

The Group has established an internal quality procedure designed to reduce the related risk at EMS providers and believes there are no risks that would require additional provisions in the consolidated financial statements as at December 31, 2011. However, any claims related to such defects could damage its reputation and adversely affect its business, results of operations, financial condition and ability to meet its objectives.

1.5.1.6 Risks related to service availability

In developing its business in transactions and services, Ingenico makes an increasing use of service providers, for Group platforms, particularly for easycash, Axis, and TransferTo.

Providers are selected through competitive bidding in response to Ingenico's operational and financial specifications. The Group's relations with its service providers are contractually stipulated. However, any failure on their part to provide the services regularly required by the Group's operations, particularly with respect to online and point-of-sale payment capabilities, could affect Ingenico's service business and its customer relationships.

1.5.1.7 The risk of fraud

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

1.5.1.8 Risks related to doing business in a large number of countries

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

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

- local economic and political conditions;
- exchange rate fluctuations;
- restrictions on capital repatriation;
- unanticipated changes in the regulatory environment;
- a variety of tax regimes that may adversely affect the Group's results of operations and cash flow, particularly regulations on transfer price, withholding taxes on the repatriation of funds and on other funds transferred by the Group's joint ventures and subsidiaries;
- import restrictions;
- customs duties, controls on exports of goods and services and other trade barriers.

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

1.5.1.9 Customer risk

Ingenico derives a large share of its revenue from a small number of customers. The Group's top one, five and ten customers accounted respectively for 3.9 percent, 14.7 percent and 21.8 percent of revenue reported in the year ended December 31, 2011. A decrease in or loss of business from one or more of those customers could therefore reduce total revenue in like proportion.

	2011		2010		2009	
Revenue derived from customers	€m	% revenue	€m	% revenue	€m	% revenue
Top 1	38.8	3.9	61.6	6.8	54.5	7.8
Top 5	147.5	14.7	138.5	15.3	120.9	17.2
Top 10	218	21.8	201.3	22.2	175.5	25.0
TOTAL REVENUE	**1001.1**	**100**	**907.0**	**100**	**700.7**	**100**

1.5.1.10 Risks related to the integration of companies acquired

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

This development requires integration of companies recently acquired by Ingenico, and notably:

- promote organic growth at easycash;
- internationalize its services across Europe; and
- develop its value-added service offer globally through TransferTo, Ingenico Services Iberia SA (formerly First Data Ibérica), chiefly in Spain, Ingenico Prepaid Services France (formerly Payzone) in France, and TNET in Italy.

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

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

1.5.1.11 Human Resource risks related to Group evolution

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

And because significant "people" issues are involved, Ingenico initiated a program to update and upgrade the key skills of its employees, both by training sales and R&D and by recruiting fresh talent and people with different profiles from the service sector. In addition, the group revised its bonus pay programs to boost growth in the payment service business and created an ad hoc team tasked with integrating new entities into the Group. Lastly, it makes extensive use of internal communications to ensure that all employees take the new business model on board.

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

1.5.2 ENVIRONMENTAL RISK

1.5.2.1 Risks related to the use of hazardous substances

Ingenico is required to comply with the RoHS (Restriction of the Use of Certain Hazardous Substances) Directive, which requires strict limitations on the use of four heavy metals (lead, cadmium, hexavalent chromium and mercury) and of two brominated flame retardants (PBB and PBDE) in certain types of electrical and electronic equipment. Although Ingenico does not manufacture its prodcuts ("Fabless" models), the Group makes sure that Ingenico terminals, manufactured by EMSs, abide by Directive 2002/95/EC, and 100 percent of terminals shipped in 2011 were RoHS-compliant.

1.5.2.2 Risks related to Electrical and Electronic Equipment Wastes

The WEEE (Waste Electrical and Electronic Equipment) directive (2002/96/CE) requires such equipment to be designed to facilitate their dismantling and to have manufacturers organise and finance the collection, the processing and the valorisation of their products at the end of their useful lives.

To avoid any risk of pollution related to WEEE, the Group ensures that payment terminals recycling programs are implemented and provided to its customers. Ingenico also informs the users on the collection requirements through the display of the selective collection symbol on all the marketed products.

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

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

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

REACH also requires that customers be notified of any article containing more than 0.1 percent of any Substance of Very High Concern (SVHC) and that local authorities be notified should the quantity of SVHC on the market exceed 1 ton per year.

To meet its obligations, Ingenico carefully examines the list of SVHCs published by the European Chemicals Agency (ECHA) and requires its suppliers that the specific components do not contain such substances in a concentration higher than authorized.

1.5.2.4 Risks related to the ErP Directive

The ErP Directive provides a framework for setting and implementing ecodesign requirements for energy-related products. Implementing measures associated with the Directive to lay down ecodesign requirements for defined energy-related products.

Manufacturers of products covered by an implementing measure must therefore ensure that the products distributed on the market comply with the applicable implementing measure (non-compliant products may be recalled from the market).

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

1.5.3 INDUSTRY RISK

1.5.3.1 Risks related to development of new systems and business models

The payment industry is subject to rapid and important changes in services and technologies, with the emergence of new payment terminal technologies (e.g. contactless, biometric) and of alternatives to payment terminals (e.g. online and mobile payments).

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

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

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

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

The Group also monitors the development of new means of payment offered by new significant players in the ecosystem such as Google and PayPal. To date, the Group signed agreements with Google and PayPal in the United-States to facilitate the development of these solutions. However, the Group cannot exclude the emergence of alternative payment means which could alter the economical assumptions used in the Group business plan.

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

1.5.3.2 Risks related to competition in the payment terminal business

The worldwide payment terminal market is now concentrated around two major players accounting together for approximately 85 percent of aggregate sales in value (estimates based on publicly available data) in 2011. The Group also has local competitors.

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

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

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

1.5.3.3 Risks related to competition in the payment service business

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

However, the Group believes that size is a factor of limited impact, since the payment market is local and segmented. In this context, Ingenico defines specific customers based services and solutions based on country specific market structure and customer positioning.

Despite an enhanced credibility with its know-how in payment and value added services through recent acquisitions (easycash, Ingenico Prepaid Services France – formerly Payzone –, TransferTo, Ingenico Services Iberica – formerly First Data Ibérica –, paycom and BTG), the Group may still be unable to achieve sufficient credibility as a payment service provider. In such a case, its business, financial condition and ability to meet its objectives could be adversely affected.

1.5.4 LEGAL RISK

1.5.4.1 Regulatory risk

The regulatory environment is constantly changing. Because the Group business and in particular the products designed and delivered by Ingenico may be impacted by those changes such as the implementation of the SEPA project (Single Euro Payments Area – a single area for payments in euros), it is important to anticipate them. The Group has accordingly implemented a dedicated regulatory monitoring based on a third party provider to identify and analyze any laws and regulations that might affect its business in Europe and its major markets worldwide.

Growing enthousiasm of Internet, mobile and IP-based communication networks may led to new laws and regulations to deal with confidentiality, pricing, content and quality of products and services.

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

1.5.4.2 Risks related to the PCI standard

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

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

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

Ingenico takes all the necessary financial and engineering steps to bring its new payment terminals into compliance with the latest 2.0 version of PCI POS PED, which imposed stiffer requirements on magnetic stripe security and PIN protection. All new products must be in compliance with the 2.0 version, which came into force in March 2008. Although the certification process is extremely robust, there is a risk that once in use, specific products might reveal defects that could subsequently lead the PCI to challenge their certification. In the event of a withdrawal of the certification, such a challenge could lead to forbid the selling of the banned product, thereby inducing a decreased revenue and a financial loss.

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

Like PCI PED, this standard implies to make changes in the architecture of data processing systems, networks and servers that requires substantial investment for Ingenico.

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

1.5.4.3 Risks related to personal data protection

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

All claims related to the non-respect of personal data could affect the Group's reputation and have a negative impact on the Group business, results of operations, financial stand and ability to meet its objectives.

In 2010, the data protection authorities for Hamburg and North Rhine-Westphalia in Germany filed suit against easycash for breach of its personal data protection obligations. To date, these suits have overruled by the prosecutor of Dûsseldorf.

1.5.4.4 Risks related to claims from third parties

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

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

From a financial prospective, based on the risk analysis performed by Ingenico and in accordance with the applicable financial standards, no provision was recognized in the consolidated financial statements at December 31, 2011.

1.5.5 MARKET AND EQUITY RISK

A detailed analysis of market risk (interest and exchange rate, liquidity and equity risk) is available in Note 4 (Financial Risk Management) to the Consolidated Financial Statements for the year ended December 31, 2011. Ingenico has performed a separate review of its liquidity risk and deems that it has the means to meet its future obligations.

1.5.6 EXCEPTIONAL FACTS AND LEGAL DISPUTES

1.5.6.1 Tax dispute in Brazil

As mentioned in the Note 27 (Other Provisions) to the Consolidated Financial Statements as at December 31, 2011, for the year ended December 31, 2011, tax assessment procedures are still in progress in respect of a Brazilian subsidiary. These procedures focus on the ICMS tax (2004–2009), where the amount in question is approximately €78.2 million as of December 31, 2011 (covering 2004–2009, for principal, interest and penalties). The assessment is being made in the context of the 'Tax War' which is being waged among the Brazilian states, with a potential impact on Ingenico and a large number of foreign and domestic enterprises. The tax authority of the State of Sao Paulo is contesting the deduction by Ingenico Do Brasil of a portion of the ICMS on the sales invoices of a supplier, on the grounds that the supplier had obtained a tax concession granted by the State of Minas Gerais in which he operates, but which does not comply with federal law. The company, advised by experts, considers that there are strong grounds for contesting those of the authorities. No provision has been recognized in the consolidated financial statements at December 31, 2011, following an analysis of the risks involved in the light of the criteria set out in IAS 37.

To date, all the notified ICMS related assessments are being contested by the Company. Some have been cancelled by administrative decisions. In respect of the assessments still in progress, no payment demand had been received at December 31, 2011.

The service tax (ISS) (2003–2007) is now terminated following Ingenico Do Brasil's entering into the amnesty program offered by the Sao Paulo tax authorities. In compliance with this program, the Companies which have paid in the principal before September 15, 2011 benefited from a substantial cut off of the penalties (75% rebate), a total wipe off of the interests for late payment and quite notably the definitive termination of the litigation. In abidance with this program, Ingenico Do Brasil had to pay in around €3 million.

1.5.6.2 Commercial disputes

In one commercial dispute, the company Bull s.r.o. sued Ingenico SA, its Czech subsidiary and the chief executive officer of the subsidiary in the Prague Municipal Court for unfair competition, claiming approximately €3.7 million in damages, additional compensation of approximately €1 million and a formal apology published in a local daily newspaper. To cover the claim for damages to which Bull s.r.o. believes it is entitled, the Group recognized a provision for a total of €1.1 million, divided between Ingenico SA and Ingenico CZ s.r.o. The procedure is still in progress.

1.5.6.3 Other disputes

In 2011, there was no noticeable change in the disputes pertaining to Mr. Bonnemoy as described in the 2009 Registration Document. The Company however considers that a possible loss of this litigation could not in itself have a significant negative impact on its financial stand or profitability.

To the best of the Company's knowledge, in the 12-month period preceding December 31, 2011, there were no governmental, legal or arbitration proceedings (including any proceedings of which the Group is informed, which are in abeyance or with which the Group is threatened) other than the proceedings listed above that could have, or have recently had, a material impact on the Group's financial condition and margins.

1.5.6.4 Conclusion

At the December 31, 2011 reporting date, Ingenico recognized provisions for litigation and claims totaling €8.6 million, essentially broken down as follows:

- €1.5 million for claims in France's labour courts (Prud'hommes);
- €1.1 million for the Bull dispute described above;
- €5.8 million for other disputes, chiefly commercial in nature.

1.5.7 INSURANCE

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

Ingenico's Group-wide insurance program, including commercial property and casualty insurance and MAT insurance (for shipped goods), is coordinated by AON, the world's leading insurance brokers. This program was renewed for 2011 on virtually the same terms and conditions as in 2010, but adjusted to reflect the Group's changed scope of consolidation. The result is an integrated program that provides the same basic coverage to all subsidiaries. Moreover, any newly created subsidiary or company joining the Group is immediately covered by this Group-wide insurance plan. Ingenico does not have separate insurance coverage for the risk of illness, resignation and death of its key executives.

The program operates on two levels:

- at the corporate level, there are worldwide insurance programs to cover the Group's main exposures;
- at the local level, the subsidiaries have taken out insurance to comply with their local regulatory obligations as well as coverage supplementing Group-wide insurance programs to cover their specific exposures;

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

The Group's cost of coverage in 2011 was €969,028 on an invoiced and paid basis, with premiums accounting for €874,028.

In 2011, the breakdown of the Group's master insurance policies by major risk category was as follows:

- commercial casualty insurance: €36,856;
- commercial property and business loss insurance: €102,500;
- MAT insurance: €92,250;
- Directors and Officers liability coverage: €29,500;
- fraud insurance: €70,000.

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

2

SOCIAL AND ENVIRONMENTAL RESPONSABILITY

2.1 HUMAN RESOURCES INFORMATION

2.1.1 WORKFORCE AND MOVEMENTS

TOTAL WORKFORCE AT DECEMBER 31, 2011

Ingenico SA had a total workforce of 684 staff members at December 31, 2011 (versus 624 employees in 2010, a 10 percent increase). Ingenico SA recruited a total of 111 employees in 2011 (versus 72 in 2010, a 54 percent decline), including 96 hired on permanent employment contracts, 10 on fixed-term contracts and 5 on work-study programs. An additional 36 students were hired as interns.

2011	Men	Women	Total
Management			
Level 3	105	13	118
Management			
Level 2	362	99	461
Management			
Level 1	2	4	6
Equivalent management	37	49	86
Administrative and supervisory staff	6	7	13
TOTAL	**512**	**172**	**684**

The workforce of the global consolidated Group totalled 3,570 employees at December 31, 2011 (versus 3,069 employees as at end of 2010, a 16% increase).

- Recruitment

Ingenico SA does not face any specific challenge in recruiting staff in any particular employment category other than some experts like SAP specialists for the Group IS department.

The increase in the number of recruitments thrusts to diversify the profiles and to extend our key skills to answer the restructuring needs of the Company.

- Partings

In 2011, no employees were laid off. Out of a total of 684 staff members, there were 14 dismissals.

Ingenico totalled 25 dismissals in 2011, a 3.65% turnover as at December 31, 2011 for an overall turnover of 6.2%.

- Temporary employment

Temporary employment at Ingenico SA represents on average 0.70 percent of the workforce (versus 1.03 percent in 2010), involving a monthly average of 4.79 temporary workers (versus 6.42 in 2010) and an average contract duration of 3.2 months (versus 5.48 months in 2010).

- Information related to staff reduction and job protection plans, reclassification efforts, re-hiring and attendant measures.

There was no staff reduction plan at Ingenico SA in 2011.

2.1.2 ORGANIZATION OF WORKING HOURS

Ingenico SA applies the French Collective Bargaining Agreement for technical offices, engineering-consulting firms, consulting companies and company agreements, several of which were signed in 2011.

- Working hours

All full-time employees work an average of 35 hours per week, except for management staff, who work a set number of days per year.

- Overtime

Overtime is not a common practice at Ingenico SA. The total number of overtime hours paid in 2011 was 3,597 (versus 2,448.25 hours in 2010), representing a gross amount of €76,810.22 (versus €26,834.72 in 2010), performed by 69 people, about 10 percent of a total workforce of 684 employees.

- Working hours of part-time employees

There are employees in all categories who have chosen to work part-time. The majority of the 36 part-time employees (versus 32 in 2010) work 4/5 time and are primarily absent on Wednesdays. Three persons are on parental leave.

None of these employees have been required to work part-time.

- Absenteeism in 2011

Reasons for absenteeism	Number of calendar days absent	Number of (calendar) days normally worked	% absent
Illness	3,633	282,875	1.28%
Work and travel-related accidents	47	282,875	0.02%
Maternity–Paternity and adoption leave	1,409	282,875	0.50%
Family reasons	643	282,875	0.23%
Other	495	282,875	0.17%
TOTAL	**6,227**	**282,875**	**2.20%**

- Percentage of absenteeism:

$$\frac{\text{Actual number of calendar days absent x 100}}{\text{Number of (calendar) days normally worked}}$$

2.1.3 COMPENSATION: CHANGES AND PROFESSIONAL EQUALITY

- Average monthly compensation

Average monthly compensation of regular employees

These are employees (excluding managers) on permanent contracts who have worked for the Company for two consecutive years.

Employees who have changed category are compared within their category of the second year.

	2010			2011		
In euros	Men	Women	Total	Men	Women	Total
Level 3 Management	6,328	5,087	6,083	7,316	7,143	7,296
Level 2 Management	4,320	4,119	4,286	4,420	4,146	4,366
Level 1 Management	2,877	2,822	2,851		3,056	3,056
Equivalent management	2,522	2,169	2,352	2,552	2,344	2,438
Administrative and supervisory staff	1,831	2,162	2,036		1,448	1,448

- Employer contributions

A total of €22.6 million was paid in employer contributions in 2011 (in 2010, this amount was €18.7 million).

Application of Article IV of Book IV of the French Labor Code: Incentive programs and employee profit-sharing.

- Incentive program

Incentive programs are governed by French law but are optional. An agreement between Ingenico SA and the Works Council was signed in June 2006, renewed in 2009. The calculation of rewards is defined very precisely in the incentive program agreement. It is based on a percentage of the Group's adjusted current operating income.

Incentive rewards are available immediately. They may, however, be frozen for five years in the Company Savings Plan.

CHANGE IN TOTAL INCENTIVE REWARDS PAID BY ALL PARTICIPATING COMPANIES

	Year	Amount	Extra
	2011	**€5,400**	**€1,600**
	2010	€1,677	€1,700
Amount paid per employee for the previous year	2009	€1,400	€600

- Employee profit-sharing

Profit-sharing is a required scheme in France that was introduced in 1968 and applies to all companies with more than 50 employees that make a profit.

Despite the Company's earnings in 2010, no profit-sharing bonuses have been paid in the past three fiscal years (2009 to 2011), due to other parameters taken into account in calculating the bonus which are indexed on the high amounts of total equity.

- Ingenico SA Employee Savings Plan and Fund

Agreement of April 10, 2008

The Employee Savings Plan is governed by the provisions in Chapter IV of Book IV of the French Labor Code. It enables Company employees, with the help of employer contributions, to build a portfolio of marketable securities and enjoy the tax benefits granted under this type of collective savings plan.

Ingenico set a matching contribution to the investments made by employees in the employee savings plan up to €2,000 per year.

- Equality in the workplace

Ingenico is committed to equality in the workplace between men and women.

The effective application of rights based on the principles set out in the conventions of the International Labor Organization is the responsibility of staff at all levels. The alert and advice procedures outlined in Article 3 of Chapter I of Ingenico's Code of Ethics and Business Conduct aims to provide the means for all staff members to ensure that the rights described therein are respected.

The Article lists six points:

- equal opportunity based on merit and skills;
- prohibition of discrimination and sexual and moral harassment;
- prohibition of child labor;
- prohibition of forced labor;
- health and safety;
- freedom of association and collective bargaining.

A comparative review of the general employment and training conditions of the men and women in the Company is presented once a year to the local Works Council.

For additional information, confer to Ingenico's Code of Ethics and Business Conduct.

2.1.4 LABOR RELATIONS AND RECORD OF COLLECTIVE AGREEMENTS

- Labor relations

The quality of the labor relations environment at Ingenico SA is based on permanent dialogue between management, employees and their representatives.

In the framework of the project to integrate the employees of Ingenico France SAS – a subsidiary merged in 2010 -, the negotiations essentially focussed on the new common status (including the first agreement about welfare and health expenses) and the setting of representive bodies. New elections for representative bodies in a central Works Council, were held at the Company level in September 2011

Composition of the Works Council by college

At of the end of 2011, the Works Council operates with the following members:

	Delegates			Alternates		
2011	Employee	Administrative and supervisory staff	Management	Employee	Administrative and supervisory staff	Management
Works Council	1	1	5	1	1	5

- Record of collective agreements

Dates, signatures and purpose of company agreements signed in the year in question (2011)

- February 15, 2011: Company Agreement on the 2011 mandatory yearly negotiations.
- March 15, 2011: Collective Agreement on Welfare.
- March 15, 2011: Collective Agreement on Health Expenses.
- December 20, 2011: Company Agreement on work by shift and exceptional work on Sundays, on nights and on holidays.
- December 20, 2011: Protocol Agreement lengthening the term of the collective agreements.

Collective agreements and amendments signed prior to 2011

- February 12, 2010: Agreement on on-call duty.
- June 2, 2010: Supplement to the Employee Savings Plan to incorporate an employee shareholding fund.
- June 25, 2010: Agreement on the replacement of the long-term service bonus.
- December 30, 2009: Company Agreement on the employment of senior citizens.
- December 30, 2009: Supplement to the Employee Savings Plan to incorporate a solidarity fund.
- June 30, 2009: Supplement to the Ingenico SA Incentive Program Agreement signed with the Works Council.
- March 4, 2009: Company Agreement on salaries.
- June 30, 2008: Supplement to the Ingenico SA Incentive Program Agreement with the Works Council.
- April 10, 2008: Agreement on the Employee Savings Plan.
- November 28, 2007: Agreement on the terms of the Ingenico SA. Sagem Monetel merger.
- February 15, 2007: Agreement on the harmonization and adaptation of employment conditions at Ingenico SA.
- June 30, 2006: Ingenico SA. Incentive Program Agreement with the Works Council.
- June 15, 2000: Agreement to reduce working hours.

2.1.5 TRAINING

PERCENTAGE OF PAYROLL EXPENDITURE ALLOCATED TO ONGOING TRAINING IN 2011

Ongoing training	% allotted to ongoing training	Year's amount of payroll in €
2011	**4.02%***	**€43,532,241**
2010	3.13%*	€31,462,045
2009	2.58%	€27,078,872

** Including 0.10% reserved for training of "seniors," in accordance with the company agreement.*

Number of persons trained: 466, i.e. 68.12% of the overall workforce (684 persons) at December 31, 2011, versus 328 in 2010, i.e. 67.78% on the basis of 484 [(1)] persons at December 31, 2010.

Number of individuals trained in-house: 125 (versus 193 in 2010).

Number of hours of in-house and external training: 10,449 hours (versus 11,254 in 2010), exclusively for workshops, i.e. 2.3 days of training per person.

Number of employees who benefited from a *Droit Individuel à la Formation* (or DIF, individual training entitlement): 35 (versus 21 in 2010).

Ingenico SA's Human Resources intranet site provides employees with comprehensive information about their professional training options, rights and entitlements.

2.1.6 EMPLOYMENT AND INTEGRATION OF DISABLED WORKERS

At December 31, 2011, eight workers recognized disabled by the *Commission des Droits et de l'Autonomie* (CDA), formerly COTOREP (equivalent falling under the Equal Employment Opportunity Commission in the United States) were employed (versus 5 in 2010).

Initiatives to raise awareness among management teams were conducted in 2011, with the aim to encourage the hiring and integration of employees with disabilities. An informative brochure for all employees is also available.

(1) At December 31, 2010, this total encompassed the Ingenico France SAS staff for the last three months only.

2.1.7 EMPLOYEE FUNDING PROGRAMS

Breakdown of company expenditure

This includes expenditure on transportation, the company restaurant and housing defined as follows:

- transport: Paris-area transportation bonus (transportation card);
- housing: mandatory employers' contributions to construction (*participation des employeurs à l'effort de construction*, or PEEC);
- company restaurants: contribution to the operation of company cafeterias and restaurants.

	Amount of expenditure		
In euros	**2009**	**2010**	**2011**
Transportation	161,239	184,570	208,811
Housing	108,894	181,301	226,324
Restaurants	315,202	311,109	373,779
TOTAL	**585,335**	**676,980**	**808,914**

In 2011, the Ingenico SA Works Council paid out a total of €633,200 in 2011 (a 8.33 percent increase from €446,025 in 2010).

2.1.8 OUTSOURCING

Methods used by the Company to promote awareness of the fundamental conventions of the International Labor Organization among providers and ensure their compliance by subsidiaries.

	2010		2011	
	Amount in euros	**%**	**Amount in euros**	**%**
Temporary workers	158,270	3%	443,546	5%
Outside service providers	5,734,400	97%	9,129,606	95%
TOTAL	**5,892,670**	**100%**	**9,573,152**	**100%**

Ingenico has drawn up an Ethics Charter that applies to all Group companies. It lays down all the rules identified as fundamental for the safety of the Group, the well-being of its employees, the strength of its relations with third parties and consequently its business performance and sustainable development.

These actions aim to promote and comply with the Universal Declaration of Human Rights.

Ingenico SA refers to the International Labor Organization Declaration on Fundamental Principles and Rights at Work, covering the freedom of association, the elimination of all forms of forced or compulsory labor, effective abolition of child labor and elimination of discrimination in respect of employment and occupation. Particular emphasis has been placed on eradicating child labor and forced labor.

For further information, please refer to Ingenico SA's Code of Ethics and Business Conduct.

2.1.9 IMPACT ON NATIONAL EMPLOYMENT AND REGIONAL DEVELOPMENT

In 2011, Ingenico SA's premises are located in Neuilly-sur-Seine, Suresnes, Mérignac, and in Guilherand-Granges, next to Valence.

In the past three years, Ingenico SA. has hired 229 employees (versus 224 in 2010) under both permanent and fixed-term contracts at these sites, thus positively contributing to regional development.

Ingenico SA paid a total of €2,126,407 in *Contribution Economique Territoriale* tax for 2011, versus €1,765,437 in 2010, a 20% increase.

2.1.10 RELATIONS WITH EDUCATIONAL ESTABLISHMENTS AND ORGANIZATIONS

In 2011, Ingenico SA paid €239,112 in French apprenticeship tax (versus €363,330 in 2010, a 54.7% increase).

2.1.11 QUALITY AND ENVIRONMENTAL POLICY

Ingenico SA and its employees regard environmental protection as one of the Group's top business priorities.

Even though the Group does not have a production site, everyone should be concerned about environmental friendliness and greenhouse gas emissions.

Group employees are encouraged to do the following:

- when they have a choice, favor the most environmentally-friendly suppliers and service providers;
- avoid unnecessary energy consumption through simple, sensible day-to-day acts: turning off the lights when leaving a room, turning off computers at the end of the day, avoiding unnecessary use of running water, etc;
- avoid the unnecessary use of paper by printing electronic documents only when required for work-related purposes.

Thanks to its exemplary environmental practices, Ingenico SA. was able to obtain ISO 14001 certification in 2010.

2.2 ENVIRONMENTAL INFORMATION

Ingenico is a responsible company. It is committed to preserving the environment by deploying an ISO 14001-certified management system and implementing its own environmental policy through a program to improve to reduce the environmental impact of its activities, products and services.

2.2.1 A CERTIFIED ENVIRONMENTAL MANAGEMENT SYSTEM

Protecting the environment is a fast-growing concern in today's world. For a company to sustainably manage the environmental impact of its business, it must adopt a soundly structured approach. This is why Ingenico has chosen to include the environmental dimension into its Quality Management System.

This trend was confirmed in December 2011 with the renewal of the ISO 14001 certification initially obtained in 2010. This international environmental management standard provides a framework to help companies choose the resources and procedures that will enable them to better manage the environmental impact of their activities, products and services. It requires businesses to adopt environmentally conscious practices such as compliance with applicable regulations, the identification and evaluation of significant environmental impacts, goal-setting and the development of a program to achieve these goals or the implementation of continuous improvement via certain measurement and monitoring systems.

The ISO 14001 certification audit undergone this year emphasizes the steep progress on the environmental management practices and the significant dynamics of sustainable improvement. As such, this audit sets forth the recognition for the work the Group has accomplished and Ingenico's commitment to formal and sustainable environmental management.

2.2.2 ACHIEVEMENTS PUTTING POLICY INTO PRACTICE

In applying ISO 14001 standards, Ingenico has developed an environmental policy that supports its positioning as world leader and its approach to corporate responsibility. Ingenico's environmental actions are consolidated through a broadly communicated program encompassing all the focuses of this policy and abided by at the highest levels of the Company during the Management Reviews.

This policy has four guiding principles:

2.2.2.1 Setting an example through the implementation of applicable environmental directives

The Ingenico Group monitors, analyzes and implements legal requirements relating to the environment. These regulations are the most stringent in Europe and are constantly being reinforced. Ingenico's aim is essentially to ensure that its products comply with relevant regulations and to take a proactive approach in several areas.

- the **RoHS** (**R**estriction of the use **of** certain **H**azardous **S**ubstances) directive aims to reduce the use of certain substances that are hazardous to the health and the environment (lead, mercury and flame retardants [PBB and PBDE]...). In 2011, all of the products delivered by Ingenico were RoHS-compliant including the developments of this directive (RoHS2) which are under close scrutiny;
- the **REACH** (**R**egistration, **E**valuation, **A**uthorization and restriction of **CH**emicals) regulation, aims to identify the most dangerous chemicals (SVHC) and gradually replace them with safer, appropriate alternatives. This year Ingenico formalized its REACH monitoring and enhanced its supplier control to ensure that no substance listed on a regular basis by the ECHA (European Chemicals Agency) is used as a component of the Ingenico goods and products, in proportions exceeding that of the applicable information and/or declaration thresholds under this directive;
- the **Batteries and Accumulators** directive regulates the collection and recycling of this type of waste, including those that may be incorporated into electrical or electronic products. Ingenico complies with the information requirements which are identical to those of the WEEE;
- the **WEEE** (**W**aste **E**lectrical and **E**lectronic Equipment) directive, applicable in the European Union, requires manufacturers of electrical and electronic equipment to organize and finance the collection, treatment and disposal of their products at the end of their useful lives. In addition to setting up specific recycling processes, Ingenico offers guidance to its distributors, with the aim of progressively achieving the systematic recycling of its products and complies with the information requirements to the users, the recyclers and the local authorities in compliance with this directive;
- the **Packaging** directive seeks to harmonize European initiatives, to reduce the weight and volume of packaging that is required, at the source, and to minimize health hazards by diminishing the presence of heavy metals. Ingenico ensures that these requirements are taken into account by the packaging suppliers;
- the E.U.'s **ErP** (**E**nergy-**r**elated **P**roducts) directive establishes a framework for the eco-design of energy-related products. Although none of the implementing measures currently apply to it, Ingenico carefully monitors these measures and strives to uphold eco-design principles in its new product ranges.

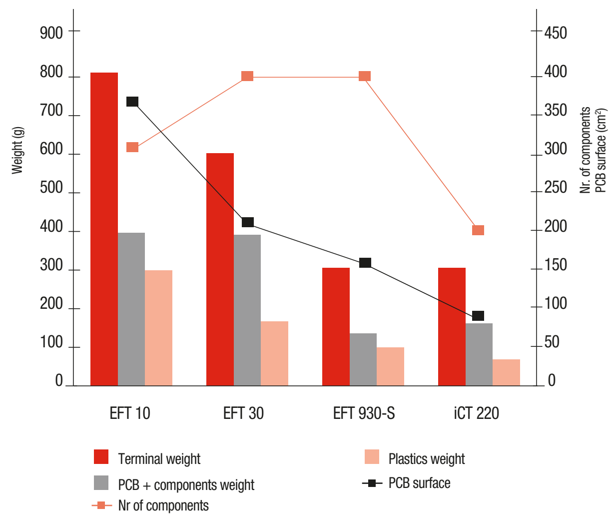
This year Ingenico deployed tools to monitor regulations to enable it to enhance the surveillance of environmental regulations which apply to the Group business and its reactiveness implementing necessary compliance measures.

2.2.2.2 Thinking environmentally right from product design

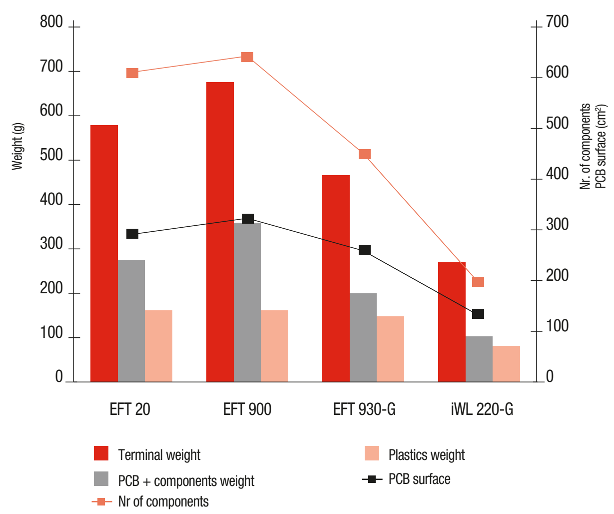
Design is the key stage at which manufacturers have the greatest leverage to manage the environmental impacts of their products.

Ingenico promotes the "eco-design" of its terminals: eliminating hazardous substances, optimizing energy consumption, using fewer components (up to half as many in new-generation terminals) and their weight, extending their useful life and facilitating product recycling at the end of their life cycle. The technological developments of the hardware platforms are associated with constant and marked enhancements of their environmental performances as set forth in the following graphs:

ANALYSIS OF COUNTERTOP DEVICES DESIGN



ANALYSIS OF WIRELESS DEVICES DESIGN



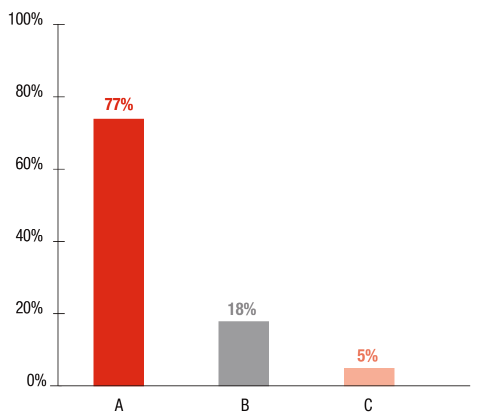
A number of methodologies and tools were developed this year, to enhance the appraisal of the environmental dimension from conception on and to secure the assessment of the environmental performance of the different products. Also, the use of printers not making use of bisphenol-A was generalized.

2.2.2.3 Implementing a responsible procurement policy incorporating environmental criteria

Ingenico operates in a fabless environment, meaning that it does not manufacture its own products. Since production is outsourced to several EMS (**E**lectronic **M**anufacturing **S**ervices) facilities, Ingenico must apply especially stringent standards to its various suppliers and subcontractors, especially regarding environmental issues.

These environmental requirements (like for substances) were specified and integrated into the quality agreements with strategic suppliers. In 2011, 54% of these suppliers were assessed on their environmental performances (68% were ISO 14001 certified). These assessments will be carried on in 2012 and appropriate measures will be taken against suppliers who display unsatisfactory performances.

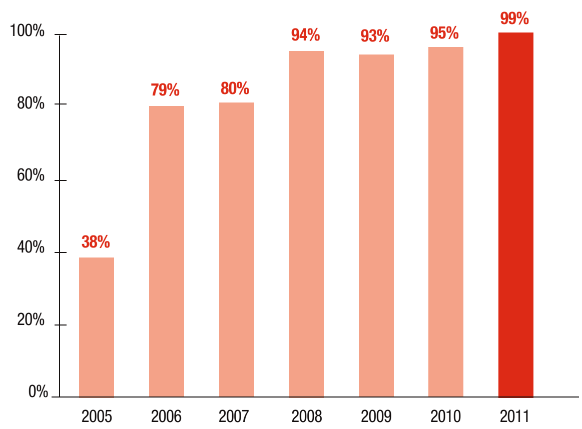
PERFORMANCES ENVIRONNEMENTALES DES FOURNISSEURS STRATÉGIQUES



Statut Environnemental
A If > 80% = Satisfactory
B If between 40 and 79% = Need improvement
C If < 40% = Significant Deficiency

Almost all the terminals are now assembled in ISO 14001 certified EMSs (this is a contractual requirement imposed by Ingenico on the EMSs).

PRODUCTS MADE IN ISO 14001CERTIFIED PLANTS



A significant effort was made in the logistical chain to increase the portion of transports by boat. A specific indicator was set up to this effect. In 2011, the proportion of products transported by air was lowered to approximately 50%.

2.2.2.4 Raising environmental awareness among employees

The Ingenico Group encourages employees to adopt environmentally-conscious attitudes in their daily work. It introduced several initiatives to lower paper consumption, for example, through systematic recto-verso printing; reduce travel, through greater use of videoconferencing; and promote the sorting of waste.

A booklet was issued at the Group level to inform the employees of the everyday environment friendly behaviours. A section dedicated to develop environmental awareness was added in the welcoming booklet which is provided to all new employees.

On the French premises (Neuilly, Suresnes, Valence) the energy consumption was reduced by 7% in average in comparison with 2010. A selective waste treatment was systematically set up in Valence and on the other sites through casual operations (“cleaning days”). With the moving into new (HQE® and BBC®) environmentally certified offices, a substantial enhancement is expected in 2012 .

3

CORPORATE GOVERNANCE

3.1 INFORMATION ON THE DIRECTORS AND THE *CENSEUR* (INDEPENDENT ADVISOR) OF THE BOARD OF DIRECTORS

3.1.1 COMPOSITION OF THE BOARD OF DIRECTORS

At December 31, 2011, the Board was composed of the following members:

Name	Age	Position	First appointed Term renewed	Term expires at close of meeting called to approve the financial statements for FY	Number of shares held as at December 31st, 2011
Philippe Lazare	55	Chairman and CEO and Director*	March 15, 2006/ May 11, 2010	2015	390,463
Guillaume Cerutti	45	Director	April 28, 2011	2016	1,010
Jean-Pierre Cojan	58	Director	February 25, 2011	2013	1,010
Diaa Elyaacoubi	41	Director	April 28, 2011	2016	1,010
Alex Fain	57	Director	February 25, 2011	2013	1,020
Allan Green	50	Director	October 18, 2004/ May 11, 2010	2015	20,190
Jean-Paul Jainsky	61	Director	March 14, 2008	2013	1,091
Michel Malhouitre	63	Director	Feb. 15, 1980/ May 10, 2007	2012	659,279
Xavier Moreno	63	Director	March 14, 2008	2013	2,129
Jean-Jacques Poutrel	77	Director	April 19, 2005/ April 28, 2011	2016	294,517
Thibault Poutrel	34	Director	Feb. 6, 2002/ May 5, 2006	2011	784,619
Celeste Thomasson	45	Director	February 25, 2011	2013	1,010
Elie Vannier	62	Director	March 14, 2008	2013	2,174

* *Philippe Lazare's duties as Chief Executive Officer will cease when his director's term expires.*

William Nahum was appointed as Board's *Censeur* (independent advisor), by decision of the Board of Directors on March 15, 2006, for 6 years. His mandate was renewed by decision of Board of Directors on February 23, 2012. As at December 31, 2011, William Nahum held 525 company shares.

On January 20, 2010, the Board of Directors resolved to combine the positions of chairman and chief executive officer, which had been separate since 2004. Since that decision was made, Philippe Lazare has been the Chairman and Chief Executive Officer of Ingenico. The Board deemed that this change would help the Company simplify its decision-making process and raise operational efficiency.

3.1.2 POSITIONS AND DUTIES OF THE BOARD MEMBERS

The business address of the Board members is the address of the Company.

PHILIPPE LAZARE

Chairman and Chief Executive Officer since January 20, 2010

Experience and expertise

Philippe Lazare was educated at the École Supérieure d'Architecture de Paris-La Défense. He held several positions in the Purchasing Department of the PSA group prior to joining the Thalès group as director of a Sextant Avionique site. In 1994, he was appointed Chief Operating Officer of the Air France group, in charge of the industrial logistics division, which encompassed Air France Maintenance, Air France Industries and Servair group. He then managed the Lucien Barrière hotel and Casino group (1998-2000) and worked for the Eurotunnel group as Chairman and CEO until 2002. Within the La Poste group, Mr. Lazare was Director of Purchasing, Property and Cost Control (2003-2004), member of the Executive Committee of La Poste, and Chairman and CEO of Poste Immo. In 2006, he was appointed Executive Vice President of the La Poste group and Chief Executive Officer of La Poste's general public (Grand Public) division, positions he held until July 13, 2007. On July 17, 2007, he became the Chief Executive Officer of Ingenico, on whose Board of Directors he had already sat since March 15, 2006. On January 20, 2010, he was also appointed Chairman of Ingenico, thus becoming the new Chairman and Chief Executive Officer. Mr. Lazare is a Knight of the Legion of Honor.

Other positions and duties

With the Ingenico Group in 2011

Chairman
- **Ingenico Prepaid Services France SAS** since May 5, 2010

LEGAL REPRESENTATIVE OF INGENICO SA, President of
- **Ingenico Ventures SAS** since May 6, 2009

CHAIRMAN AND CEO
- **Ingenico Canada Ltd.** since July 17, 2007
- **Ingenico Corp.** since July 17, 2007
- **Ingenico (Latin America) Inc.** since July 17, 2007

Board member and Chairman
- **Ingenico Iberia S.L.** Board member since July 18, 2007 and Chairman since September 25, 2007
- **Ingenico Ödeme Sistem Çözumleri A.S.** since July 17, 2007
- **Ingenico Elektronik Sanayi Dıs Ticaret A.S.** since July 17, 2007
- **Ingenico Inc.** since July 17, 2007
- **Ingenico Mexico SA** de CV since July 19, 2007
- **Ingenico Services Iberia S.A.** since September 8, 2010
- **Ingenico Italia SpA** Board member since September 28, 2007 and Chairman since May 4, 2011

Board member
- **Ingenico International (Pacific) Pty. Ltd.** since September 19, 2007
- **Europa Communications Pty. Ltd.** since September 19, 2007
- **Ingenico UK Ltd.** since July 17, 2007
- **Ingenico International (Singapore) Pte. Ltd.** since December 19, 2007
- **Ingenico International India Pte. Ltd.** since June 27, 2008
- **Xiring SA,** since December 15, 2011
- **Fujian Landi Commercial Equipments Co. Ltd. (China)** since June 25, 2008

Outside the Ingenico Group in 2011

Main position

None

Other current positions and duties

None

Former positions held in the past five years
Legal representative of Ingenico on the Strategy Committee of **Natural Security SAS** (formerly P1G SAS) until July 10, 2009

Executive Vice President

- **La Poste** until July 13, 2007 (and CEO of **La Poste General Public and Territorial Development** until July 13, 2007)

Chairman and CEO

- **La Poste Services à la Personne SA** until November 5, 2007

CEO

- **Poste Immo SA** until September 1st, 2007

Manager

- **DI Deutsche Ingenico Holding GmbH** until December 16, 2009

Chairman of the Board

- **Poste Immo SA** until September 17, 2007

Chairman

- **Ingenico France SAS** until September 30, 2010
- **Immostoc SAS** until September 17, 2007
- **Ingenico Transactions Services SAS**, until June 30, 2011

Board member

- **Ingenico Japan KK** until June 15, 2009
- **Europa Communications Pty. Ltd.** until December 14, 2010
- **SOVAFIM S.A.** until 2007
- **EPOS Italia SpA,** until June 30, 2011
- **Fixed and Mobile Pte. Ltd.**, until September 10, 2011

Board member and CEO

- **Ingenico Software Services Philippines Inc.**, until October 30, 2010

Board member and Chairman

- **Ingenico Investment Luxembourg SA,** until June 13, 2010
- **Ingenico Barcelona SA**, until July 1st, 2011
- **Ingenico Electronic Equipments (Beijing) Co. Ltd.** until November 30, 2009

Legal representative of **Poste Immo SA**, Chairman until September 1st, 2007

- **Locaposte SAS**
- **Ciposte SAS**
- **PI 4 SAS**
- **PI 5 SAS**
- **PI 6**
- **Véhiposte**

Legal representative of **Poste Immo SA,** Trustee until September 1st, 2007:

- **SCI Activités Annexes**
- **SCI Activités Colis**
- **SCI Activités Courrier Industriel**
- **SCI Activités Courrier de Proximité**
- **SCI BP**
- **SCI BP Mixte**
- **SCI Centre de Loisirs**
- **SCI CRSF Dom**
- **SCI Foyers**
- **SCI Logement**
- **SCI PI 3**
- **SCI Tertiaire**
- **SCI Tertiaire Mixte**
- **SCI Tertiaire Saint Romain**
- **SCI Tertiaire SF Mixte**
- **SCI 44 Vaugirard**

GUILLAUME CERUTTI

Independent Board member
Member of the Audit and Finance Committee

Experience and expertise

Guillaume Cerutti holds degrees from the École Nationale d'Administration and the Institut d'Études Politiques de Paris. He started his career in 1991 in the French Treasury's Department for Auditing Public Bodies before serving as financial advisor to the Secrétariat Général pour les Affaires Européennes (Office for European Affairs). From 1996 to 2001, he was the Managing Director of the Centre Pompidou in Paris, and in 2002 he became chief of staff to the Minister for Culture and Communication, Jean-Jacques Aillagon. In 2004, Mr. Cerutti was called in to head the Department of Competition Policy, Consumer Affairs and Fraud Control at the Ministry for the Economy and Finance. Since September 2007, he has held the position of President and Chief Executive Officer of Sotheby's France and, since October 2011, Deputy Chairman of Sotheby's Europe with operational responsibilities in France, Monaco, Benelux and Italy.

Other positions and duties

With the Ingenico Group in 2011	Outside the Ingenico Group in 2011
None	Main positions Chairman and CEO of • **Sotheby's France** Deputy Chairman of • **Sotheby's Europe** since October 2011. Other current positions and duties Chairman of the Board • **Institut de Financement du Cinema et des Industries Culturelles** (IFCIC) Board member and chairman of audit committee • **Flamel Technologie SA** since June 2011

Former positions held in the past five years

Permanent representative of **Consellior SAS** on the Ingenico Board of Directors until April 28, 2011.

JEAN-PIERRE COJAN

Board member
Strategy Committee member
Corporate Governance and Ethics Committee member

Experience and expertise

Executive Vice President in charge of Strategy and Development of Safran since 2009. Mr. Cojan is a Knight in the Order of the Legion of Honor.
Jean-Pierre Cojan held various positions throughout his career:

1977	Structural Engineer at Snecma
1981	Head of Customer CFM56 for military applications in the after-sales support of CFM International (Cincinnati, Ohio)
1985	Head of the preparation for entry into service of new customers of CFM International (Paris)
1988	Head of Customer Support for Air France, Air Inter, British Airways, GPA (now GECAS), Caledonian Airmotive (now Greenwich) and the Armed Forces of Saudi Arabia. Also in charge of making the CFM56-5A engine operative on Airbus A320
1989	Head of the client interface to CFM International (in charge of Europe, Africa and Middle East areas)
1990	Customer Support Director
1991	Marketing Director
1995	Marketing and Sales Support Director of CFM International in charge of CFM56 sales in Europe, Africa, Middle East, Indian subcontinent, Russia and CEI
2001	Director of the engines division at Snecma
2007	Chairman and CEO of Aircelle

Other positions and duties

With the Ingenico Group in 2011	Outside the Ingenico Group in 2011
None	**Main position** **Executive Vice President in charge of Strategy and Development** of **Morpho** (Safran group) since 2009 **Other current positions and duties** **Board member** • **Aircelle** (Safran group) • **Turbomeca** (Safran group)

Former positions held in the past five years

Chairman and CEO
- **Aircelle**, until September 2009

Board member
- **Safran Engineering Services**, until February 2010
- **CFM International SA**, until April 2008
- **PowerJet**, until May 2008
- **PowerJet Z.A.O. (Russia)**, until June 2008
- **Snecma Suzhou Co. Ltd. (China)**, until September 2008
- **CFM International Inc. (USA)**, until November 2007

Representative of **Etablissements Vallaroche,** on the Board of Directors of SSI, until April 2008

DIAA ELYAACOUBI

Independent Board member
Strategy Committee member

Experience and expertise

From November 2003 to date

Founder and Chief Executive Officer of **Streamcore System**

Streamcore System is a leading provider of solutions for visibility and dynamic performance control to manage real-time communications (VoIP, video ...) and interactive applications over the WAN.

From May 2003 to date

Founder and President of the **Association Patronale Esprit d'Entreprises**

Association Patronale Esprit d'Entreprises is a circle of confrontation of ideas, which gathers together more than 400 entrepreneurs and business leaders for performance and growth in which the action is:

- To discuss and learn, inform and testify;
- To transmit and promote entrepreneurship;
- To act for SME; and
- To promote ideas and proposals of its members

1999-2002

Founder and President of the Management Board, **E-Brands**

First European Virtual Network Operator (**VNO** – Virtual Network Operator), specialized in the manufacturing of Internet access provider under white label, which became a subsidiary of Vivendi Universal.

Other positions and duties	
With the Ingenico Group in 2011	**Outside the Ingenico Group in 2011**
None	**Main positions** • Founder and Chief Executive Officer of **Streamcore System** • Founder and President of the **Association Patronale Esprits d'Entreprises** **Other current positions and duties** • **Trustee** • **SCI Delya 2** • **SCI Delya 3** • **SCI Immobilière 1** • **SCI Kat Mandou**

Former positions held in the past five years
None

ALEX FAIN

Board member
Audit and Finance Committee member

Experience and expertise

Alex Fain holds a degree from the École des Mines de Nancy (promotion 1974). Mr. Fain held various positions at Renault S.A. and Renault Véhicules Industriels before joining the Snecma group in 1992. He was successively Chief Financial Officer and Secretary General of Hispano-Suiza, Snecma Services in 1999, and then Deputy Director of Snecma Services in 2002. He was Director Finance, strategy, Actions for progress and Secretary-General, at Snecma since 2006. He his Deputy CEO of Morpho since September 2010

Other positions and duties

With the Ingenico Group in 2011	Outside the Ingenico Group in 2011
None	**Main position** **Deputy CEO** of **Morpho** (Safran group) since September 1st, 2010. **Other current positions and duties** **Board member of** • **Soreval (Luxembourg**, Safran group) **Chairman of** • **Aleat (Albania**, Safran group) **Director of** • **Morphotrak, Inc. (USA**, Safran group) • **Morpho USA, Inc. (USA**, Safran group) since January 1st, 2011 **Supervisory Director of** • **Morpho B.V. (The Netherlands**, Safran group) since December 10, 2010 • **Morpho Cards GmbH** (formerly SAGEM ORGA GmbH, **Germany**, Safran group) since May 16, 2011 **Representative of Morpho, Board member of** • **Assiaqa Card (Morroco**, Safran equity interest)

Former positions held in the past five years
Chairman and CEO of **Snecma Participations SA (France**, Safran group) until September 30, 2010 Advisory Board (Beirat member) of • **Morpho Cards GmbH** (formerly SAGEM ORGA GmbH) (**Germany**, Safran group) until May 16, 2011 Board member of • **CFM International SA (France**, Safran equity interest), until September 23, 2010 • **Famat SA (France**, Safran equity interest), until September 30, 2010 • **Powerjet SA (France**, Safran equity interest) until December 2, 2010 • **Safran Informatique SA (France**, Safran group), until December 31, 2010 Representative of Snecma on the Board of Directors of • **Snecma Participation SA (France**, Safran group), until January 1st, 2010 Representative of Snecma Participations on the Board of Directors of • **SMA SA (France**, Safran group), until October 4, 2010 Chairman and CEO of **Snecma Participations, Inc. (USA**, Safran group), until September 30, 2010 Director of • **CFAN** (**USA,** Safran equity interest), until October 6, 2010 • **CFM International, Inc. (USA**, Safran equity interest), until September 1st, 2010 • **Fan Blade Associates, Inc. (USA**, Safran group), until October 5, 2010 • **Powerjet Z.A.O. (Russia**, Safran equity interest) until June 30, 2011 • **Shannon Engine Support Ltd. (Ireland**, Safran equity interest), until October 14, 2010 • **Snecma America Engine Services (Mexico**, Safran group), until April 30, 2010 • **Snecma Mexico SA de CV (Mexico**, Safran group) until April 7, 2010 • **Snecma Suzhou Co. Ltd. (China**, Safran group), until October 4, 2010 • **Snecma Xinyi Airfoil Castings (China**, Safran group), until June 24, 2010

ALLAN GREEN

Board member
Member of the Strategy Committee
Member of the Compensation and Appointments Committee

Experience and expertise

Allan Green founded Candel & Partners, a company specializing in mergers and acquisitions, investment capital and venture capital, in 1992, and also serves as CEO of the company. In 1998, he set up FBT (formerly Financière de Tayninh), a holding company with a controlling interest in the listed company Société de Tayninh, of which he was also the CEO until July 2006, at which time the company was bought out by Unibail. In 2001, Mr. Green established Consellior, a company that also deals with mergers and which he manages.

Other positions and duties

With the Ingenico Group in 2011	Outside the Ingenico Group in 2011
None	**Main positions** **Chairman** • **Consellior SAS** • **CANDEL & PARTNERS SAS** • **Consellior Holding SAS** • **Primobox SAS** **Other current positions and duties** **General Manager** • **SCI 4H** since April 27, 2000 • **Martien REI** since December 15, 2005 • **ABA Conseil SARL** since February 15, 2007 • **Conselliart SPRL** since October 26, 2006 **Liquidator – voluntary wind-up** • **FBT SCA** since February 7, 2003 **Board member** • **Nstuta Gold Mining Ldt. (Ghana)** since January 2009 • **TSTM Group (UK)** since September 14, 2010 **Investment Committee** • **Proseed Inc. (Israel)**

Former positions held in the past five years

CEO
- **Consellior SA** since November 15, 2007, to December 29, 2010 (deregistration of the company)

Chairman
- **Medigis**, Board member from May 17, 2004 to March 6, 2007, and subsequently Chairman from March 6, 2007 to December 31, 2008

Board member
- **Advanced Vision Technology** from May 5, 2004 to September 18, 2007

Permanent representative
- **Trivon A.G.,** Permanent representative of **FBT S.C.A**. from September 27, 2004 to November 19, 2007
- **Escomed SA** Permanent representative of **Medigis** from July 29, 1997 to November 26, 2010

JEAN-PAUL JAINSKY

Board member

Chairman of the Strategy Committee member

Experience and expertise
Jean-Paul Jainsky holds a degree from the École Supérieure des Arts et Métiers. He has been the Chairman and Chief Executive Officer of Morpho (formerly Sagem Sécurité S.A.) since July 2007. He started out in machine manufacturing management at Société Anonyme de Télécommunications in 1975, before becoming production manager at the Poitiers factory in 1988. Mr. Jainsky joined Sagem S.A. in 1993, holding a variety of positions that include industrial coordinator in the electronics division, manager of the Montluçon plant and director of the security division. In 2002, he became the director of the security division at Sagem and, as of 2005, at Sagem Défense Sécurité.

Other positions and duties

With the Ingenico Group in 2011	Outside the Ingenico Group in 2011
None	**Main position** **Chairman and CEO** of **Morpho SA (France**, Safran group) **Other current positions and duties** **Chairman** • **Morpho USA, Inc. (USA**, Safran group) **Board member** • **Sagem Telecommunications SA (France**, Safran group) • **Confidence SA (France**, Safran group) **Permanent representative of Morpho (formerly Sagem Sécurité) on the Board** • **Sagem Securité Maroc** (**Morocco**, Safran group) **Chairman** • **Morpho Australasia Pty. Ltd. (Australia**, Safran group) • **Morphotrak, Inc. (USA**, Safran group) **Board member** • **Morpho Detection, Inc. (USA**, Safran group) • **Smart Chip Ltd. (India**, Safran group) • **Syscom Corporation Ltd. (India**, Safran group) • **EIMASS – Electronic Identity Management & Security Solutions LLC (United Arab Emirates**, Safran group) since January 11, 2011 **Chairman of the Supervisory Board ("Aufsichtrat")** • **Morpho Cards GmbH** (formerly – Sagem Orga GmbH, **Germany**, Safran group) **Supervisory Board member** • **Morpho B.V. (The Netherlands**, Safran group)

Former positions held in the past five years
Executive Vice President, Director of Security • **Sagem Défense Sécurité SA (France**, Safran group), from 2005 to July 1st, 2007 Chairman • **Sagem Monetel SAS (France**, Safran group) until March 14, 2008 • **Sagem Xelios SAS (France**, Safran group) until December 17, 2010 Chairman • **Morpho Security System (Shangai) Co. Ltd.** (formerly – Sagem Security International Trading (Shangai) Co. Ltd. China, Safran group) until December 25, 2010 • **Sagem Denmark A/S (Denmark**, Safran group) until March 14, 2008 Permanent representative of Sagem Défense Sécurité, and subsequently of Morpho (formerly Sagem Sécurité) on the Boards of Directors of the following • **Assiaqa Card (Morocco**, Safran equity interest) until January 14, 2010 • **Civi.Pol Conseil SA (France**, Safran equity interest) until February 1st, 2008 • **Keynectis SA (France**, Safran equity interest) until December 2007 Director • **Morpho Security System (Shangai) Co. Ltd** (formerly Sagem Security International Trading (Shangai) Co. Ltd China, Safran group) until March 8, 2011 • **Wuhan Tianyu Information Industry Co. Ltd (China)** until December 2007 • **Sagem Security South Africa Pty Ltd (South Africa,** Safran group**)** until January 14, 2008 Management Board member • **Morpho Cards GmbH** (formerly Sagem Orga GmbH, **Germany**, Safran group) until July 2007

MICHEL MALHOUITRE

Board member
Strategy Committee member
Compensation and Appointments Committee member

Experience and expertise

Michel Malhouitre is a digital electronics design and development engineer and graduated from the École Française de Radioélectricité et d'Électronique. In 1980, he co-founded Ingenico with Jean-Jacques Poutrel. He was technical director of Ingenico until 2000 and has served on the Board of Directors since the company's inception.

Other positions and duties	
With the Ingenico Group in 2011	**Outside the Ingenico Group in 2011**
None	Main position None Other current positions and duties Trustee • **S.C.I. Bleu Gestion**

Former positions held in the past five years
None

XAVIER MORENO

Independent Board member
Chairman of the Compensation and Appointments Committee
Strategy Committee member

Experience and expertise

Xavier Moreno holds degrees from the École Polytechnique, the Institut d'Études Politiques and the École Nationale d'Administration. He began his career in 1976 in the Treasury Department of the Finance Ministry, carrying out a variety of functions related to business funding. In 1985, he joined Sanofi, where he was a Branch Manager and a member of the Executive Committee. After managing investments in industry for Compagnie de Suez from 1991 to 1997, he founded Astorg Partners in 1998, and has served as its Chairman ever since. Astorg Partners is one of France's leading independent fund management companies, which specializes in corporate buyouts. In 2002 and 2003, Mr. Moreno chaired the Association Française des Investisseurs en Capital (AFIC).

Other positions and duties

With the Ingenico Group in 2011	Outside the Ingenico Group in 2011
None	Main position Chairman • **Astorg Partners SAS** Other current positions and duties Supervisory Board Chairman • **Honorine SAS** (Staci group) Supervisory Board member • **GS & Cie Groupe SA** (Gras Savoye group) Executive Committee member • **Financière Ofic SAS** (Onduline group) Board member • **Ethypharm SA** • **Financière Verdi SAS** (Ethypharm group) • **Onduline SA** Representative of Astorg Partners SAS, Chairman • **Astorg Team III SAS SCR** Chairman • **Financière Amaryllis IV SAS** • **Financière Muscaris IV SAS** • **Church Team IV SAS**

Former positions held in the past five years

Chairman and CEO
- **SI Finance SA** (Suez group) until April 8, 2009

Chairman
- **SPFF SAS** (Suez group), until March 27, 2009
- **Européenne de Gastronomie SAS** (Suez group), until March 27, 2009
- **Bordeaux Team IV SAS,** until 2011
- **Mercure Team IV SAS,** until 2011

Supervisory Board Chairman
- **Staci Développement SA** until 2007

Board member
- **OFEC SA** (Onduline group) until 2007
- **OFIC SA** (Onduline group), until 2008
- **Geoservices SA** (representative of Astorg Partners), until 2010
- **SCT Telecom SA** until 2011

Representative of Astorg Partners SAS, Chairman
- **Financière Romarin SAS** (Pino group), until 2008

Representative of Astorg Partners SAS, Supervisory Board member
- **Financière Marjolaine SA** (Pino group) until 2007
- **Financière du Jasmin SA** (Pino group) until 2007

Representative of Astorg Partners SAS, Board member
- **Financière Vulcain SA** (ECM group) until 2007

Executive Committee member
- **Financière Seringa III SAS** (Trescal group) until 2010
- **JUG SA** (Geoservices group), until 2010
- **Capucine SAS** (Webhelp group), until 2011

JEAN-JACQUES POUTREL

Board member
Strategy Committee member
Compensation and Appointments Committee member

Experience and expertise

A pioneer in the electronic payment industry, Jean-Jacques Poutrel is one of the largest contributors to the industry's global development. He began developing sophisticated electronic payment solutions for hotels and hospitals as early as 1968. In 1980, he founded the Ingenico Group, of which he remained Chairman and CEO until 2003. Mr. Poutrel made Ingenico a worldwide leader of electronic payment.

Other positions and duties

With the Ingenico Group in 2011	Outside the Ingenico Group in 2011
None	Main position None Other current positions and duties None

Former positions held in the past five years

Board member
- Atlantic Radio System S.A.

THIBAULT POUTREL

Board member
Strategy Committee member
Audit and Finance Committee member

Experience and expertise
Thibault Poutrel was educated at the Institut d'Études Politiques (IEP) in Paris and the London School of Economics. He worked for ABN AMRO France prior to joining Rothschild & Cie. Bank. In 2001, he founded an investment vehicle, Diamond Minds, of which he is Trustee. In 2003, he founded Access Consulting, a firm providing Internet and software integration consulting services. In 2008, he founded Beaubourg Capital S.A.S., a venture capital firm.

Other positions and duties

With the Ingenico Group in 2011	Outside the Ingenico Group in 2011
None	Main position Chairman • Beaubourg Capital SAS Other current positions and duties Board member • Come and Stay SA Trustee • SCI DU 44 Rue de Meaux • Diamond Minds Investment SARL • Access Consulting SARL Supervisory Board member of • Cryptolog SAS

Former positions held in the past five years

None

CELESTE THOMASSON

Board member
Compensation and Appointments Committee member Corporate Governance and Ethics Committee member since February 25, 2011

Experience and expertise

Ms. Celeste Thomasson, a U.S. citizen, holds a Juris Doctor Degree from the University Southwestern University School of Law of Los Angeles, USA. She began her career in California, where she held various positions from 1992 to 1998, including as a lawyer with the firm Baker & McKenzie in Los Angeles. She moved to France in 1999 to become Legal Manager in charge of acquisitions of licenses at Laboratoires Fournier. In 2002, Ms. Celeste Thomasson joined Messier Services (Safran group) as Head of Legal and Messier-Dowty in 2003 as General Counsel. She went back to the United States in July 2008 to ensure the position of Senior Vice President and General Counsel of Safran, USA. She was appointed General Counsel of the Safran group on July 1st, 2010. Ms. Celeste Thomasson is admitted to the Bar of the Supreme Court of California since 1993

Other positions and duties

With the Ingenico Group in 2011

None

Outside the Ingenico Group in 2011

Main position
General Counsel of the **Safran** group

Other current positions and duties
Chairman and CEO
- **Lexvall 2** (Safran group), since December 2010
- **Lexvall 13** (Safran group), since December 2010

Board member
- **Établissements Vallaroche** (Safran group), since July 2010
- **Vallaroche Conseil** (Safran group), since July 2010
- **LEXSA** (Safran group), since December 2010
- **Globe Motors, Inc. (USA)**, since April 2010

Permanent representative of Société Établissement Vallaroche on the Board of Directors of
- **Safran Sixty** (Safran group), since January 2011
- **Lexvall 22** (Safran group), since January 2011
- **Lexvall 23** (Safran group), since January 2011
- **Lexvall 24** (Safran group), since January 2011
- **Lexvall 25** (Safran group), since January 2011

Deputy Chairman of
- **L-1 Identity Solutions, Inc. (USA)**, (Safran group), since July 2011

Former positions held in the past five years

Chairman & Secretary of **Messier-Dowty (USA), Inc. (USA)**, until July 2010
Senior Deputy Chairman of **Safran USA, Inc. (USA)**, until July 2010
Director of **Labinal de Mexico, SA de CV (Mexico)**, until September 2010
Director of **Labinal de Chihuahua, SA de CV (Mexico)**, until September 2010
Director of **Labinal Investments, Inc. (USA)**, until July 2010
Director of **Labinal, Inc. (USA), until July 2010**
Director of **SMA Engines, Inc. (USA)**, until July 2010

ELIE VANNIER

Independent Board member
Audit and Finance Committee Chairman
Compensation and Appointments Committee member
Corporate Governance and Ethics Committee member

Experience and expertise
Elie Vannier holds a master's degree in law and a higher degree in law and political science from the Sorbonne (Paris I). Initially a journalist, he has held a number of positions, including Antenne 2 news director until 1988. He then moved on to a career in industry, working as diversification manager at Strafor Facom until 1991, then as Chief Executive Officer of the French subsidiary of the bank Deutsche Morgan Grenfell. In 1997, he joined GrandVision, where he held the positions of Chief Financial Officer and Group Chief Executive Officer.

Other positions and duties

With the Ingenico Group in 2011	Outside the Ingenico Group in 2011
None	**Main position** **Chairman of the Board of Directors** of **Flamel Technologies SA** **Other current positions and duties** **Board member** • **Conbipel (Italy)** • **Famar (Greece)** • **Group PP Holding SA (Switzerland)** • **Pharmacie Principale SA (Switzerland)**

Former positions and duties held in the past five years

Sole Director of
- **Wally Europe S.r.l. (Italy)** until January 2009

Supervisory Board member of
- **Promod S.A.** until December 2007

Board member
- **Visilab (Switzerland)** until March 2008
- **Compagnie Européenne de Téléphonie (Luxembourg)** until 2011

Board member, Chairman or Deputy Chairman of all French and foreign subsidiaries
- **Grandvision S.A.** until March 2008

Deputy Chairman of the Supervisory Board
- **Groupe Loret (France)** until June 2011

Family relationships

There are no family relationships among the members of the Board of Directors other than the father-son relationship between Mr. Jean-Jacques Poutrel and Mr. Thibault Poutrel.

Involvement in legal proceedings

The members of the Board of Directors hereby declare that during the past five years, none of them has been convicted, incriminated and/or sanctioned by an official public authority, disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of an issuer, or been involved in bankruptcy, receivership or liquidation proceedings as set forth in Annex I to Commission (EC) Regulation No. 809/2004 of April 29, 2004.

3.1.3 INFORMATION RELATING TO THE "*CENSEUR*"

WILLIAM NAHUM

***Censeur* (independent advisor)**
Audit and Finance Committee member
Chairman of the Corporate Governance and Ethics Committee

Experience and expertise

Certified Accountant, Statutory Auditor, Legal Expert near the Court of Appeal of Paris, certified by the Supreme Court, William Nahum led a parallel career and institutional that brought him to hold almost all the elective offices of his profession. After an internship in an international audit firm and then spending several years in French and American companies, he established an office more than 30 years ago and built a team of associates to which are added selected partners.

For 12 years, he was President of the Order of Certified Accountants of Paris ("Ordre des Experts-Comptables de Paris") and the Company of Statutory Auditors of Paris ("Compagnie des Commissaires aux Comptes de Paris"). He was also President of the National Order of Certified Accountants ("Président National de l'Ordre des Experts-Comptables").

He served for nine years at the Board of "IFAC", where he acquired an expertise in auditing standards and governance particularly useful for litigation files or questioning of professional responsibility. He created and chaired two international institutions: the "CILEA" involving the occupation of South America and Europe and Latin "FCM" which brings together 16 Mediterranean countries.

Various functions (volunteers) were assigned: to the Authority Accounting Standards ("Autorité des Normes Comptables") as well as to Standards Committee of Public Accounts ("Comité des Normes de la Comptabilité Publique") or as Expert for Agency Participation of the State ("Agence des Participations de l'État") or the Department of Defense ("Ministère de la Défense").

In 2008, William Nahum was appointed National Ombudsman of assigned funds. He has responsibilities on the Boards of Directors of Zublin (listed property), Ingenico (listed) and was director of the Fondation Gaz de France.

3.1.4 FUNCTIONING OF THE BOARD OF DIRECTORS

3.1.4.1 Functioning of management and oversight bodies

Functioning rules provided by Articles 12 and 13 of the Articles of Association

Appointment of Directors: The Company is directed by a Board of Directors consisting of three to thirteen members chosen from among the shareholders.

Directors shall be elected to office and revoked by the Annual Meeting of Shareholders. The term of office of a Director is six years.

Plurality of mandates as director and executive officer in several corporations (*sociétés anonymes*) is only permitted within the legally prescribed limits.

A Company employee may be appointed to the Board of Directors, but only if his or her employment contract predates this appointment and corresponds to a position actually held. The employee-Director does not lose the benefit of his or her employment contract. The number of Directors bound to the Company by employment contracts may not exceed one third of all Directors in office. Any appointment made in violation of the above provision shall be declared null and void. However, this does not render null and void the proceedings in which the improperly appointed Director has taken part.

In case of death or resignation of a Director, the Board of Directors may make a provisional appointment between two shareholders' meetings. Any such provisional appointment must be ratified by the next meeting of shareholders. Even if the meeting does not ratify the appointment, the prior proceedings and acts of the Board of Directors shall be considered valid.

When the number of Directors in office drops below three, the remaining Directors must immediately convene a meeting of shareholders in order to bring Board membership up to the required minimum.

An amendment of Article 12 of the Articles of Association will be submitted to the Combined Ordinary and Extraordinary Meeting of Shareholders on May 3, 2012 so as to limit the term of office of a Director to four years and to enable new appointments to the Board to be made by rotation.

Age limit: The number of Directors (individuals or representatives of legal entities) more than 75 years of age may not exceed one third, rounded to the next higher number, of Directors in office on the date of the Annual Meeting called to approve the annual financial statements. When this recommended number has been exceeded, the oldest Director, except for the Chairman, shall be considered to have resigned.

Legal entities that are Directors: If a company is on the Board of Directors, as soon as it is appointed, it must designate a permanent representative who shall be subject to the same conditions and obligations and have the same duties as any individually appointed Director, without prejudice to the several liability of the legal entity represented. When a legal entity dismisses its permanent representative, it must at the same time provide for a replacement. The same applies in case of death or resignation of the permanent representative.

Share ownership by Directors: Each Director must own at least ten (10) Company shares. These shares must be held in registered form, fully paid up and non-assessable. This requirement does not apply to employee shareholders who have been appointed to the Board of Directors under Article L.225-23 of the French Commercial Code.

Directors appointed during the life of the Company who were not shareholders at the time of the appointment must acquire the minimum number of shares required within six months of their appointment. Should this requirement not be fulfilled, said Directors shall be considered to have resigned.

Chairman of the Board of Directors: The Board of Directors shall elect one of its members Chairman. This position must be occupied by an individual (rather than a legal entity), or the appointment shall be declared null and void.

The Chairman of the Board of Directors organizes and directs the Board of Directors, and represents it at the Annual Meeting of Shareholders. He also makes sure that the Company's various bodies are functioning properly, particularly that the Board members are able to fulfil their mandate.

The Chairman's term of office expires by right at the first Annual Meeting of Shareholders held during the year of his seventy-fifth birthday.

Deputy Chairman: Should the Chairman be temporarily unavailable or die, the Board of Directors may appoint one of its members Deputy Chairman of the Board. In case of unavailability, this appointment is renewable. In case of death, it shall be valid until a new Chairman is elected.

Chief Executive Officer: Day-to-day management of the Company shall be the responsibility of either the Chairman of the Board of Directors or of any other individual appointed by the Board and designated as the Chief Executive Officer.

The Board of Directors chooses between these alternative arrangements for managing the Company in accordance with the quorum and majority requirements set forth in Article 12. The shareholders and third parties are informed of this choice as provided for by a decree of the French *Conseil d'État*.

If management of the Company is entrusted to the Chairman of the Board of Directors, the provisions below regarding the Chief Executive Officer shall apply to him.

The Chief Executive Officer may be dismissed at any time by the Board of Directors. If dismissed without due cause, the Chief Executive Officer may claim damages, provided that he or she does not simultaneously hold the office of Chairman of the Board of Directors.

When the Chief Executive Officer ceases to hold office or is unable to fulfil his or her mandate, the Executive Vice Presidents preserve their functions and attributions, unless otherwise decided by the Board of Directors, until a new Chief Executive Officer is appointed.

An individual may not simultaneously hold more than one mandate as chief executive officer of corporations (*sociétés anonymes*) with their registered offices in France, except when the second mandate is held in a corporation controlled, within the meaning of "control" set forth in Article L.233-16 of the French Commercial Code, by the corporation in which the first mandate is held.

The Chief Executive Officer may not be more than seventy-five years of age.

The Chief Executive Officer has the broadest possible powers to act in all circumstances on behalf of the Company. He or she shall exercise these powers within the scope of the corporate purpose and subject to the powers expressly assigned by law to the shareholders and to powers specific to the Board of Directors.

The Chief Executive Officer represents the Company in its relations with third parties. The Company is bound by all acts of the Chief Executive Officer that do not come within the scope of the corporate purpose, unless the Company can prove that the third party knew, or must have known in the circumstances, that the act in question fell outside the scope of the corporate purpose. The disclosure of the Articles of Association is not, in and of itself, sufficient proof thereof.

Neither the provisions of the Articles of Association nor any decisions by the Board of Directors to limit the powers of the Chief Executive Officer are binding on third parties.

Executive Vice Presidents: On the recommendation of the Chief Executive Officer, the Board of Directors may appoint one or more persons to act as Executive Vice President. The maximum number of Executive Vice Presidents is set at five.

Executive Vice Presidents may be dismissed by the Board of Directors on the recommendation of the Chief Executive Officer. If dismissed without due cause, an Executive Vice President may claim damages.

An Executive Vice President may not be more than seventy-five years of age.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and the duration of the powers delegated to the Executive Vice Presidents. The latter have the same powers as the Chief Executive Officer with respect to third parties.

Proceedings of the Board of Directors: The Board of Directors shall elect one of its members Chairman for a term of office set at the Board's discretion, but which may not exceed said member's term as Director. The Chairman may not be a legal entity, and may be re-elected for an indefinite number of consecutive terms.

The Board may also appoint a Secretary, who need not be a Board member.

The Board of Directors meets as often as the interests of the Company dictate. Meetings may be called by the Chairman, or alternatively at the request of half of the members of the Board, and held at the place indicated in the call to meeting. They may be called using any means determined by the Board.

When the Board of Directors has not met for over two months, its members may request that the Chairman call a meeting with a specific agenda, provided that at least one third of all members sign the request.

The Chief Executive Officer may also request that the Chairman call a meeting with a specific agenda.

An attendance register is to be signed by all Directors attending the meeting.

The proceedings of Board meetings shall not be considered valid unless at least half of all Board members in office, and no less than two Board members, are present. Decisions require a simple majority of those Board members present or represented at the meeting, with the Chairman holding the casting vote in the event of a tie. If only two Board members are present, any decisions require consensus.

The Board of Directors may include in its rules of procedure the provision that Directors shall be considered present, for calculating quorum and majority, if they take part in Board meetings via videoconferencing or telecom systems allowing them to be identified and enabling them to participate effectively, the characteristics of which are set forth by a decree of the French Conseil d'État, with the exception of meetings at which the Chairman of the Board and the Chief Executive Officer are elected or removed from office, as well as at meetings related to the matters referred to in Articles L.232-1 and L.233-16 of the French Commercial Code.

The minutes of the proceedings at every Board meeting are recorded in a special register, signed by the Chairman and at least one other Board member.

The extracts or copies of these minutes shall be certified valid by the Chairman of the Board, the Chief Executive Officer, the Executive Vice Presidents or the Board member serving as acting Chairman. In case of liquidation, these extracts or copies shall be certified valid by the liquidator.

Mandate of the Board: The Board of Directors is responsible for determining the Company's strategic policies and ensuring that they are implemented. Subject to the powers expressly assigned by law to the shareholders and within the scope of the corporate purpose, the Board of Directors concerns itself with all issues related to the proper functioning of the Company and settles them through its deliberations.

In its relations with third parties, the Company is bound by all acts of the Board of Directors, including those that do not come within the scope of the corporate purpose, unless the Company can prove that the third party knew, or must have known in the circumstances, that the act in question fell outside the scope of the corporate purpose. The disclosure of the Articles of Association is not, in and of itself, sufficient proof thereof.

The Board of Directors carries out any controls and verifications it may deem appropriate. The Chairman or the Chief Executive Officer of the Company is required to provide every Board member with all the documents and information he or she needs to fulfil his or her mandate.

The Chief Executive Officer keeps the Board of Directors informed of any decision planned or already implemented by him- or herself in managing the Company.

Commitments by the Company to provide guarantees and pledge assets as security interests require the approval of the Board of Directors.

Other Functioning rules

The functioning rules of the Board are also governed by the Rules of Procedures of the company. These rules are detailed in the "Report of the Chairman of the Board of Directors on the Board's composition, how it prepares and organizes its work and its internal control and risk management procedures" together with an overview of the work of the Board during the year. This report is available in Chapter 3.3 of the present registration document.

3.1.4.2 Board of Directors' committees

In compliance with the Rules of Procedures of the company, the Board has set up specialized committees: the Strategy Committee, the Audit and Finance Committee, the Compensation and Appointments Committee and the Corporate Governance and Ethics Committee.

The composition, the mandates and the work of the special focus committees during 2011 are described in the aforementioned report.

3.2 COMPENSATION AND BENEFITS

3.2.1 COMPENSATION OF MEMBERS OF DIRECTORS AND EXECUTIVE OFFICERS

3.2.1.1 Compensation, stock options and performance shares granted to each executive officer by the Company

PHILIPPE LAZARE – CHAIRMAN AND CHIEF EXECUTIVE OFFICER (SINCE JANUARY 20, 2010)

	2011		2010	
	Amounts accrued during the year	Amounts paid during the year	Amounts accrued during the year	Amounts paid during the year
Fixed compensation	€500,000	€500,000	€500,000	€500,000
Variable compensation*	€600,000	€575,520	€575,520	€290,000
Exceptional compensation	None	€350,000**	€350,000**	None
Director's fees	None	None	None	None
TOTAL	**€1,100,000**	**€1,425,520**	**€1,425,520**	**€790,000**
Benefits in kind – Car	€4,271.40		€4,271.40	
Insurance for loss of mandate	€7,716		€7,716	
Value of stock options granted during the year (details below)	None		None	
Value of performance shares granted during the year (details below)	None		€856,900	

* *The variable compensation accrued during a year is paid on the following year.*
** *Exceptional compensation granted by the Board of Directors on February 25, 2011.*

The Board of Directors determines Philippe Lazare's fixed compensation on the basis of the recommendation made by the Compensation and Appointments Committee in consideration of the compensations paid by a panel of companies comparable to Ingenico.

Accordingly, the Board of Directors of February 25, 2011 decided that:

- Philippe Lazare would receive the amount of €575,520 as variable compensation for 2010, on the basis of performance criteria set by the Board of Directors on May 11, 2010. The said criteria are comprised of: 70% depending on actual performance and the 30% depending on qualitative assessment. Considering the Company's performance during 2010, the Board of Directors also decided Philippe Lazare would receive an exceptional compensation of €350,000;
- the Board of Directors set Philippe Lazare's fixed annual compensation for 2011 at €500,000.

The Board of Directors of April 28, 2011, decided that Philippe Lazare's variable compensation for 2011 – the reference amount of which is €600,000 – will remain based for 70% on the performance of the Group (i.e. €420,000 and can reach up to 150% of this amount if certain results are achieved) and for the remaining 30% (i.e. €180,000) on qualitative assessment.

Using these criteria, on February 23, 2012, the Board of Directors resolved that Philippe Lazare would receive (i) €600,000 as variable compensation for 2011 and (ii) €600,000 as fixed compensation for 2012.

3.2.1.2 Director's fees and other compensation received by non-executive directors

The attribution of the annual amount of Directors fees allocated by the Shareholders' Meeting is set up as an incentive favouring the independence of Directors, the chairmanship of the special focus committees and the members' attendance to the Board and special focus committees meetings.

The overall amount of Directors fees allocated to members of the Board is of €500,000 for 2011 (€299,995.56 for 2010) and is shared as follows:

Non-executive directors	Amounts accrued in 2011 and paid in 2012**	Amounts accrued in 2010 and paid in 2011*
Guillaume Cerutti Director's fees	€40,836	€20,218.28
Jean-Pierre Cojan Director since February 25, 2011 Director's fees	€22,908	-
Diaa Elyaacoubi Director since April 28, 2011 Director's fees	€25,896	-
Alex Fain Director since February 25, 2011 Director's fees	€19,920	-
Allan Green Director's fees	€37,848	€27,868.44
Jean-Paul Jainsky Director's fees	€37,848	€20,218.28
Michel Malhouitre Director's fees	€34,860	€21,857.60
Alain Marcheteau Director until February 25, 2011 Director's fees	€7,968	€21,857.60
Xavier Moreno Director's fees	€57,768	€36,065.04
Emmanuel Mounier Director until February 25, 2011 Director's fees	€5,976	€18,032.52
Jean-Jacques Poutrel Director's fees	€33,864	€21,857.60
Thibault Poutrel Director's fees	€34,860	€24,043.36
Thierry Seizilles De Mazancourt Director until February 25, 2011 Director's fees	€4,980	€16,939.64
Jacques Stern Director until April 28, 2011 Director's fees	€6,972	€16,939.64
Celeste Thomasson Director since February 25, 2011 Director's fees	€22,908	
Elie Vannier Director's fees	€71,712	€37,704.36
William Nahum Censeur Director's fees	€32,868	€16,393.20

* *A total budget of €300,000 for 2010 was approved at the Annual Meeting of Shareholders of May 11, 2010.*
** *A total budget of €500,000 for 2011 was approved at the Annual Meeting of Shareholders of April 28, 2011.*

Except for Philippe Lazare, the only executive director for whom information is provided here above, during 2011 no member of the Board of Directors received an additional compensation, benefits in kind, stock options or free shares.

No compensation, other than the ones mentioned here above was paid to executive directors of the Company by other Group companies during 2011.

3.2.1.3 Pensions, post-employment and other benefits paid to directors and executive officers:

None.

3.2.1.4 Termination benefits obligations

Executive officers	Employment contract	Supplementary retirement plan	Indemnities or benefits due or likely to be due as a result of a termination or change in position	Benefits in connection with a non-compete clause
Philippe Lazare				
Chairman and CEO since January 20, 2010	No	No	Yes*	No

* *Philippe Lazare was reappointed as member of the Board by the Annual Meeting of Shareholders of May 11, 2010 (5th resolution) and renewed as Chairman and Chief Executive Director by a resolution of the Board of Directors on the same day.*

The existing arrangement in the event of the removal of Philippe Lazare, which was resolved by the Board of Directors at its meetings of July 17, 2007, December 12, 2007, January 23 and March 14, 2008 was renewed by resolution of the Board of Directors on March 17, 2010 except the part of the arrangement pertaining to the first 12 months following the initial appointment of Philippe Lazare in 2007, since it is no longer relevant.

In compliance with Article L.225-42.1, of the French Commercial Code, the above arrangement was submitted to the Shareholders for approval (as resolution number 9) and approved by the general assembly meeting dated May 11, 2010.

In the event that Philippe Lazare is removed from office for any reason other than gross negligence, the following arrangement applies:

- Philippe Lazare receives an amount equal to one year's salary, defined as the gross annual salary payable in his capacity as Chief Executive Officer of Ingenico;
- he maintains his entitlement to freely allotted shares for which the vesting period has not expired.

This arrangement is subject to the following performance conditions:

- EBIT has grown in line with revenue growth during his term of office;
- the Company has maintained or increased its market share during his term of office.

This is referred to in the statutory auditors' report on regulated agreements and commitments in Chapter 3.2.4 of the present RD.

3.2.1.5 Loans granted to or guarantees provided on behalf of directors and executive officers

None.

3.2.2 SHAREHOLDINGS, PERFORMANCE SHARES AND STOCK OPTIONS OF DIRECTORS AND EXECUTIVE OFFICERS

3.2.2.1 Shares granted to each director and executive officer

The directors and executive officers were not granted any performance share nor any stock-option in 2011.

3.2.2.2 Shares vested during the year for each director and executive officer

Performance shares vested for each director and executive officer	Plan number and date	Number of shares granted during the year	Number of shares vested	Final grant conditions
Philippe Lazare	17/07/2007	-	105,000*	-
TOTAL	-	-	-	-

* *Including free shares allocated in the framework of the share capital increase through capitalization of the premiums dated July 30, 2010*

Pursuant to Article L.225-197-1, II, Paragraph 4, of the French Commercial Code, in the case of shares freely allotted to the Chief Executive Officer, the Board of Directors must either prohibit the Chief Executive Officer from disposing of said shares until the end of his term of office or specify the number of shares that must remain registered in his name until the end of his term of office.

For each allotment of free shares to Philippe Lazare (voted at the Board meetings of July 17, 2007, January 23, 2008, March 11, 2009, June 24, 2009 and, in the case of shares allotted to him as part of the co-investment plan, at the Board meetings of March 30, 2010 and May 11, 2010), the Board of Directors resolved, pursuant to the aforementioned provision of the Law, that Philippe Lazare shall be required to hold and maintain in registered form no less than 15 per cent of the total number of shares that have fully vested and for which the final grant date has been reached. Moreover, any share disposals must be carried out in compliance with the applicable stock market regulations and the procedures followed by the Company.

3.2.2.3 Stock options of directors and executive officers

Extraordinary Meeting of Shareholders of May 4, 2000	Plan A	Plan B	Plan C	Plan D	Plan E
Date of Board of Directors meeting or decision made by the Chief Executive Officer under a delegation of authority	April 15, 2003	July 25, 2003	April 20, 2004	June 10, 2004	July 8, 2004
Total number of shares available for subscription*	858,000	145,000	151,500	110,000	30,000
Total number of shares available for subscription by:					
Gérard Compain	100,000	0	0	50,000	0
Jean-Marie Descarpentries	0	120,000	0	0	0
Yves Sabouret	0	0	0	50,000	0
Start date for exercising options	April 15, 2006	July 25, 2006	April 20, 2007	June 10, 2007	July 8, 2007
Expiration date	April 15, 2011	July 25, 2011	April 20, 2012	June 10, 2012	July 8, 2012
Subscription price**	€5.37	€8.42	€10.36	€10.99	€13.93
Conditions for exercising options (when the plan involves multiple tranches)	-	-	-	-	-
Number of shares subscribed at December 31, 2011***	693,154	145,024	92,508	100,456	0
Aggregate number of subscription options cancelled or expired at December 31, 2011***	167,727	0	58,290	10,000	30,000
Outstanding share subscription options at December 31, 2011***	0	0	1,056	0	0

* *Number of options originally allocated ignoring subsequent adjustments.*
** *Subscription price after 2007 adjustment (following the payment of the 2006 dividend with free shares) and 2010 adjustment (following the share capital by incorporation of retained earnings).*
*** *Including options created following the 2007 adjustment (following the payment of the 2006 dividend with free shares).*

Extraordinary Meeting of Shareholders of October 18, 2004	Plan F	Plan G	Plan H
Date of Board of Directors meeting or decision made by the Chief Executive Officer under a delegation of authority	December 14, 2004		October 19, 2005
Total number of shares available for subscription	209,500	-	425,000
Total number of shares available for subscription by:			
Amedeo d'Angelo	0	0	150,000
David Znaty	0	0	100,000
Start date for exercising options	December 14, 2007	-	October 19, 2008
Expiration date	December 14, 2012	-	October 19, 2013
Subscription price**	€11.07	-	€11.01
Conditions for exercising options (when the plan involves multiple tranches)	-	-	-
Number of shares subscribed at December 31, 2011***	84,061	-	334,542
Aggregate number of subscription options cancelled or expired at December 31, 2011***	113,174	-	80,352
Outstanding share subscription options at December 31, 2011***	14,406	-	19,611

* *Number of options originally allocated ignoring subsequent adjustments.*
** *Subscription price after 2007 adjustment (following the payment of the 2006 dividend with free shares) and 2010 adjustment (following the share capital by incorporation of retained earnings).*
*** *Including options created following the 2007 adjustment (following the payment of the 2006 dividend with free shares).*

3.2.2.4 Share subscription or purchase options granted during the year to each executive officer by the Company or any Group company

No share subscription or purchase options were granted during the year to executive officers in office in 2011.

3.2.2.5 Share subscription or purchase options exercised during the year by each executive officer

No share subscription or purchase options were exercised during the year by executive officers in office in 2011.

3.2.2.6 Trading restrictions

In 2005, the Board of Directors drew up a document defining its Rules of Procedure and code of business conduct. It incorporates rules of corporate governance upheld by the Board, rules related to the duties and functioning of the Board and its Committees and rules governing the conduct of Board members, for example, when trading in the Company's shares.

The information disclosed to members of the Board Directors in their official capacity is subject to the provisions of Article L.465-1 of the French Monetary and Financial Code and Articles 621-1 to 622-2 of the AMF's General Regulation pertaining to inside information, abstention requirements and insider trading.

In particular, if the Board of Directors receives specific confidential information that may, at the time of its publication, significantly impact the share price of the Company, a subsidiary or an affiliate, the Board members must refrain from using this information by purchasing or selling, either directly or indirectly, on their own behalf or on behalf of a third party, the financial instruments to which this information pertains or financial instruments to which these instruments are related.

They must also refrain from:

- disclosing this information to another person outside the ordinary scope of their business, profession or duties or for any purpose other than that for which the information was communicated to them;
- recommending to another person, based on inside information, to purchase or sell or to have another person purchase or sell the financial instruments to which this information pertains or financial instruments to which these instruments are related.

In practice, at the end of each fiscal year, the Board members are provided with a time table for the following year that includes trading blackout periods and reflects the financial information publication dates for the Company.

3.2.2.7 Transactions entered into by directors and executive officers during the previous year

Declarant	No and date of the AMF decision/ notice	Financial instrument	Type of transaction	Transaction details	Date declaration received	Place of transaction	Unit price	Transaction amount
Thibault Poutrel	N°211D1152 of March 10, 2011	Shares	Sale	March 8, 2011	March 8, 2011	Euronext Paris	€27.40	€137,000
Natural person connected with Jean-Jacques Poutrel	N°211D1622 of April 6, 2011	Shares	Sale	April 5, 2011	April 6, 2011	Euronext Paris	€32.81	€426,530
Thibault Poutrel	N°211D1630 of April 7, 2011	Shares	Sale	April 6, 2011	April 6, 2011	Euronext Paris	€32.59	€162,950
Jacques Stern	N°211D1722 of April 12, 2011	Shares	Other types (Stock dividend payment)	April 6, 2011	April 11, 2011	Euronext Paris	€32.27	€71,095.13
Natural person connected with Jean-Jacques Poutrel	N°211D1766 of April 14, 2011	Shares	Sale	April 12, 2011	April 14, 2011	Euronext Paris	€32.01	€55,889.46
Natural person connected with Jean-Jacques Poutrel	N°211D1767 of April 14, 2011	Shares	Sale	April 13, 2011	April 14, 2011	Euronext Paris	€32.06	€825,769.42
Alliance CONSELLIOR SAS represented by Allan Green	N°211D1852 of April 20, 2011	Shares	Sale	April 4, 2011	April 20, 2011	Euronext Paris	€31.82	€1,357,187
Alliance CONSELLIOR SAS represented by Allan Green	N°211D1853 of April 20, 2011	Shares	Sale	April 7, 2011	April 20, 2011	Euronext Paris	€32.75	€1,310,000
Alliance CONSELLIOR SAS represented by Allan Green	N°211D2020 of May 10, 2011	Shares	Sale	April 29, 2011	May 8, 2011	Euronext Paris	€33.63	€672,600
Thibault Poutrel	N°211D2402 of May 30, 2011	Shares	Sale	May 24, 2011	May 24, 2011	Euronext Paris	€30.32	€212,240
Alliance CONSELLIOR SAS represented by Allan Green	N°211D2528 of June 8, 2011	Shares	Sale	May 30, 2011	May 30, 2011	Euronext Paris	€32.23	€97,431
Alliance CONSELLIOR SAS represented by Allan Green	N°211D2529 of June 8, 2011	Shares	Sale	May 27, 2011	May 30, 2011	Euronext Paris	€32.51	€650,200
Thibault Poutrel	N°211D2530 of June 8, 2011	Shares	Sale	May 27, 2011	May 30, 2011	Euronext Paris	€32.63	€163,150
Elie Vannier	N°211D2570 of June 9, 2011	Shares	Other types (Stock dividend payment)	May 31, 2011	June 1st, 2011	Euronext Paris	€28.47	€540.93

Declarant	No and date of the AMF decision/ notice	Financial instrument	Type of transaction	Transaction details	Date declaration received	Place of transaction	Unit price	Transaction amount
Jean-Jacques Poutrel	N°211D2577 of June 9, 2011	Shares	Other types (Stock dividend payment)	May 31, 2011	June 1st, 2011	Euronext Paris	€28.47	€323,703
Thibault Poutrel	N°211D2649 of June 14, 2011	Shares	Other types (Stock dividend payment)	May 31, 2011	June 7, 2011	Euronext Paris	€28.47	€287,547
Jean-Jacques Poutrel	N°211D2650 of June 14, 2011	Shares	Sale	June 3, 2011	June 7, 2011	Euronext Paris	€33.635	€336,351
Xavier Moreno	N°211D2688 of June 15, 2011	Shares	Other types (Stock dividend payment)	May 31, 2011	June 7, 2011	Euronext Paris	€28.47	€768.69
Allan Green	N°211D2689 of June 15, 2011	Shares	Other types (Stock dividend payment)	June 2, 2011	June 7, 2011	Euronext Paris	€28.47	€403,363
Philippe Lazare	N°211D2696 of June 15, 2011	Shares	Other types (Stock dividend payment)	May 31, 2011	June 8, 2011	Euronext Paris	€28.47	€95,545.32
Thibault Poutrel	N°211D2793 of June 21, 2011	Shares	Sale	June 8, 2011	June 13, 2011	Euronext Paris	€31.91	€158,879.89
Thibault Poutrel	N°211D2794 of June 21, 2011	Shares	Sale	June 9, 2011	June 13, 2011	Euronext Paris	€31.82	€159,768.22
Thibault Poutrel	N°211D3400 of July 20, 2011	Shares	Sale	July 5, 2011	July 11, 2011	Euronext Paris	€33.53	€502,950
Jean-Jacques Poutrel	N°211D3421 of July 21, 2011	Shares	Sale	July 6, 2011	July 11, 2011	Euronext Paris	€33.99	€169,950
Jean-Jacques Poutrel	N°211D3456 of July 21, 2011	Shares	Sale	July 6, 2011	July 11, 2011	Euronext Paris	€34.79	€173,950
Thibault Poutrel	N°211D3506 of July 22, 2011	Shares	Sale	July 12, 2011	July 12, 2011	Euronext Paris	€32.74	€327,400
Jean-Jacques Poutrel	N°211D3560 of July 26, 2011	Shares	Acquisition	July 14, 2011	July 19, 2011	Euronext Paris	€32.499	€162,495
Alliance CONSELLIOR SAS, corporate connected with Allan Green	N°211D3690 of August 3, 2011	Shares	Acquisition	July 29, 2011	July 29, 2011	Euronext Paris	€29.43	€147,150
Jean-Jacques Poutrel	N°211D3816 of August 10, 2011	Shares	Acquisition	July 29, 2011	August 8, 2011	Euronext Paris	€29.0292	€145,146
Thibault Poutrel	N°211D3991 of August 23, 2011	Shares	Acquisition	August 11, 2011	August 17, 2011	Euronext Paris	€23.53	€470,600
Thibault Poutrel	N°211D3992 of August 23, 2011	Shares	Sale	August 12, 2011	August 17, 2011	Euronext Paris	€26.11	€522,200
Jean-Jacques Poutrel	N°211D4295 of September 8, 2011	Shares	Sale	September 1st, 2011	September 5, 2011	Euronext Paris	€29.52	€36,900
Michel Malhouitre	N°211D5320 of November 7, 2011	Shares	Sale	October 28, 2011	November 2, 2011	Euronext Paris	€29.03	€144,427.23
Candel & Partners, corporate connected with Allan Green	N°211D5419 of November 15, 2011	Shares	Sale	November 8, 2011	November 8, 2011	Apart from Stock Exchange	€29	€2,414,134
Allan Green	N°211D5420 of November 15, 2011	Shares	Sale	November 8, 2011	November 8, 2011	Apart from Stock Exchange	€29	€530,033

Declarant	No and date of the AMF decision/ notice	Financial instrument	Type of transaction	Transaction details	Date declaration received	Place of transaction	Unit price	Transaction amount
Consellior SAS, corporate connected with Allan Green	N°211D5421 of November 15, 2011	Shares	Acquisition	November 8, 2011	November 8, 2011	Apart from Stock Exchange	€29	€170,694
Michel Malhouitre	N°211D5452 of November 16, 2011	Shares	Sale	November 3, 2011	November 10, 2011	Euronext Paris	€28.80	€86,400
Michel Malhouitre	N°211D5453 of November 16, 2011	Shares	Sale	October 28, 2011	November 10, 2011	Euronext Paris	€29.00	€145,000
Michel Malhouitre	N°211D5473 of November 17, 2011	Shares	Sale	November 8, 2011	November 14, 2011	Euronext Paris	€29.71	€148,526.48
Michel Malhouitre	N°211D5600 of November 24, 2011	Shares	Sale	November 17, 2011	November 22, 2011	Euronext Paris	€30.61	€153,050
Michel Malhouitre	N°211D5796 of December 12, 2011	Shares	Sale	November 30, 2011	December 7, 2011	Euronext Paris	€29	€145,000
Michel Malhouitre	N°211D5925 of December 16, 2011	Shares	Sale	December 6, 2011	December 14, 2011	Euronext Paris	€29.91	€149,540
Michel Malhouitre	N°211D6126 of December 26, 2011	Shares	Sale	December 14, 2011	December 16, 2011	Euronext Paris	€27.40	€145,220

3.2.3 OTHER INFORMATION

3.2.3.1 Conflicts of interest

At the date this registration document was filed, Thibault Poutrel indirectly held 1.58 of Cryptolog International's share capital. This agreement is duly referred to in the statutory auditors' special report on related party agreements and commitments.

3.2.3.2 Service contracts

In 2011, no Board member entered into a service contract providing benefits upon its term, with the Company or with Group companies.

3.2.4 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

SHAREHOLDERS' MEETING CALLED TO APPROVE THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

To the Shareholders,

In our capacity as statutory auditors of your Company, we hereby present to you our report on regulated agreements and commitments.

We are not required to ascertain whether any other agreements or commitments exist but to inform you, on the basis of the information provided to us, of the terms and conditions of those that have been disclosed to us or identified in the course of our work. It is not our role to determine whether they are beneficial or appropriate. It is your responsibility, under the terms of Article R.225-31 of the French Commercial Code ("*Code de commerce*"), to evaluate the benefits arising from these agreements and commitments prior to their approval.

We are also required, as applicable, to communicate the information referred to in Article R.225-31 of the French Commercial Code on the execution, during the previous year, of agreements and commitments previously approved by the Shareholders.

We performed the procedures we deemed necessary to the completion of this engagement, in accordance with the professional guidance provided by the Compagnie Nationale des Commissaires aux Comptes, France's national organization of statutory auditors.

Our work consisted in verifying the consistency of the information provided to us with the source documents on which it was based.

I. Agreements and commitments entered into by the company in 2011

We hereby inform you that we have not been notified of any agreement or commitment entered into by the company in 2011, to be submitted to the Shareholders for approval, under Article L.225-38 of the French Commercial Code.

II. Agreements and commitments approved in prior years that remained in effect during the previous fiscal year

Under Article R.225-30 of the French Commercial Code, we were advised that the following agreements and commitments, already approved by the Shareholders in prior years, remained in effect during the previous fiscal year.

1. Commitments to Mr. Philippe Lazare, Chairman and Chief Executive Officer

Description

As approved by the Board of Directors on July 17, 2007, December 12, 2007, January 23, 2008, March 14, 2008:

Termination benefits in the event of termination of his employment and applicable performance conditions.

Terms and conditions

In the event of removal for any reason other than gross misconduct,

- within 12 months of his appointment, the company shall pay him one year's salary;
- he shall maintain his entitlement to the free shares for which the vesting period has not expired.

Performance conditions:

- growth of EBIT in line with revenue growth during his term in office;
- stability or increase of the company's market share during his term of office.

All terms of the arrangement relating to Philippe Lazare were renewed, unchanged, by the Board of Directors on March 17, 2010 and approved by the Shareholders on May 11, 2010 except the part of the arrangement pertaining to the first 12 months following his initial appointment, since it is no longer relevant.

2. CRYPTOLOG agreement

Description

As approved by the Board of Directors on September 20, 2006:

Agreement with CRYPTOLOG to provide its Cryptolog Identity PKI solution in SaaS mode.

Terms and conditions

For this service, an expense of €122,993, taxes not included, was recorded during the year.

Paris and Paris La Défense, February 23, 2012

The statutory auditors

SA C.G.E.C.	KPMG Audit IS
Sophie BRULEBOIS	Jean-Pierre VALENSI
Partner	Partner

3.3 REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS ON THE BOARD'S COMPOSITION, CONDITIONS FOR THE PREPARATION AND ORGANIZATION OF ITS WORK AND ITS INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

In accordance with Article L.225-37 of the French Commercial Code, the Chairman of the Board of Directors presents you with his report for 2011 on the composition of the Board, its application of the principle of the equal representation of men and women, the conditions for the preparation and organization of its work and the internal control and risk management procedures implemented in the Company.

For the purposes of this report, the term "Company" refers to Ingenico and the term "Group" refers to the Company and the legal entities ("subsidiaries") whose financial and business policies the Company is in a position to control, which usually means in practice that it holds at least half of all voting rights.

This report was presented to the Board of Directors for approval on February 23, 2012 and transmitted to the statutory auditors.

3.3.1 COMPOSITION OF THE BOARD OF DIRECTORS AND HOW IT PREPARES AND ORGANIZES ITS WORK

3.3.1.1 Rules of Procedure, code of business conduct and corporate governance code

The Board of Directors decided to consolidate, clarify and supplement the rules governing its organization and operation, which it is required by law to apply, and the Company's Rules of Procedure and Articles of Association, as well as provide supplementary information regarding the code of business conduct applicable to all of its members.

Accordingly, the Board of Directors adopted a document defining its Rules of Procedure and code of business conduct. This document incorporates the rules of corporate governance upheld by the Board, rules related to the duties and functioning of the Board and its committees and rules governing the conduct of Board members, for example, when trading in the Company's shares.

In compliance with the Act of July 3, 2008, transposing EU directive 2006/46/EC dated June 14, 2006 into French law, the Corporate Governance Code of Listed Companies, as published by AFEP and MEDEF in December 2008 updated in April 2010 (the "AFEP/MEDEF Code"), is the code referred to by the Company in this report.

This Code can be viewed on the following website: www.code-afep-medef.com.

The Company nevertheless diverges from the recommendations in the Code on one point, described and explained in paragraphs "independent directors" and "term of office".

3.3.1.2 Composition of the Board of Directors

Members of the Board of Directors

The Company is administered by a Board of Directors consisting of 3 to 13 members, as specified in Article 12 of the Articles of Association.

Proposed appointments to the Board of Directors are subject to prior examination by the compensation and appointments committee and the corporate governance and ethics committee.

At December 31, 2011, the composition of the Board of Directors was as follows:

Name	Age	Position	First appointed on/ Re-appointed on	Term ending at the close of the Annual Meeting to approve the financial statements for
Philippe Lazare*	55 years	Chairman and CEO and Director	March 15, 2006/May 11, 2010	2015
Guillaume Cerutti	45 years	Director	April 28, 2011	2016
Jean-Pierre Cojan	58 years	Director	February 25, 2011	2013
Diaa Elyaacoubi	41 years	Director	April 28, 2011	2016
Alex Fain	57 years	Director	February 25, 2011	2013
Allan Green	50 years	Director	October 18, 2004/May 11, 2010	2015
Jean-Paul Jainsky	61 years	Director	March 14, 2008	2013
Michel Malhouitre	63 years	Director	February 15, 1980/ May 10, 2007	2012
Xavier Moreno	63 years	Director	March 14, 2008	2013
Jean-Jacques Poutrel	77 years	Director	April 19, 2005/April 28, 2011	2016
Thibault Poutrel	34 years	Director	February 6, 2002/May 5, 2006	2011
Celeste Thomasson	45 years	Director	February 25, 2011	2013
Elie Vannier	62 years	Director	March 14, 2008	2013

* *Philippe Lazare's position as Chairman and Chief Executive Officer ceases at the end of his term of office as Director.*

William Nahum was appointed as Board's *Censeur* (independent advisor), by decision of Board of Director on March 15, 2006, for a period of 6 years. His mandate was renewed by decision of the Board of Directors on February 23, 2012.

All Board members have the French citizenship, except Mrs. Thomasson who is American.

The list of offices and positions held in any company by each Board member during the year is provided in the Management Report, in compliance with Article L.225-102-1 of the French Commercial Code.

Independent directors

According to the AFEP/MEDEF Code, in companies with controlling shareholders, at least one third of the Board members should be independent and, in the other companies, at least half.

As specified in its Rules of Procedure, the Board of Directors aims to have at least three members who qualify as independent using the definition and criteria provided in the said Code.

To be considered independent, a director must:

- not be an employee, director or officer of the Company, the parent company or one of its consolidated affiliates, either currently or within the past five years;
- not be a director or officer in a company in which the Company holds, directly or indirectly, a directorship or in which an employee designated as such or a director of the Company (either currently or within the past five years) holds a directorship;
- not be a customer, supplier, investment banker or commercial banker:
  - of significance in the Company or the group,
  - for which the Company or the Group accounts for a significant share of the business;
- not be a close family member of a director or officer;
- not have been an auditor of the Company in the past five years;
- not have been a director of the Company for more than 12 years.

Directors representing significant shareholders in the Company may be considered independent, provided that they do not participate in the control of the Company. When the shareholding exceeds 10% of the capital or voting rights, the Board of Directors should systematically review whether the director still qualifies as independent, taking into consideration the Company's ownership structure and the existence of a potential conflict of interest.

Accordingly, after conferring with the corporate governance and ethics committee meeting of December 13, 2011, the Board considered that four of its members are independent: Mr. Elie Vannier and Mr. Xavier Moreno, Mrs. Diaa Elyaacoubi and Mr. Guillaume Cerutti, nearly a third of the Board not counting the Board *Censeur*, Mr. William Nahum.

Therefore at December 31, 2011, the Company does not conform to the provisions of its Code of reference on this point.

This non-conformity is essentially due to reasons related to transactions having affected the share capital and the current capital structure of the Company.

All things being considered:

- The Compensation and Appointments Committee is chaired by Mr. Xavier Moreno, one of the independent directors. Mr. Elie Vannier, the second independent director is also a member of this committee;
- The Audit and Finance Committee is chaired by Mr. Elie Vannier, an independent director who has special expertise in finance and accounting in compliance with the requirements of the Ordinance n°2008-1278 dated December 8, 2008. Among his past experiences Mr. Elie Vannier, held the position of Chief Financial Officer for GrandVision;
- The Strategy and the Corporate Governance and Ethics Committees both have at least one independent director among their members. This reflects the important role expected from the independent members of the Board.

Representation of men and women on the Board of Directors

At December 31, 2011, the Board of Directors has two women members.

As such, the Company abides by the provisions of the January 27, 2011 Law and by the recommendations in the AFEP/MEDEF Code.

Resolutions will be presented at the Mixed General Assembly meeting on May 3, 2012 to increase the number of independent Directors and the men/women representation on the Board of Directors.

Censeurs

The Board of Directors may include one or more independent advisors known as *censeurs*, appointed at the request of the Chairman. Their role is to advise the Board of Directors on company policy and direction, based on their experience or particular qualifications. *Censeurs* may only take part in the proceedings of the Board of Directors in an advisory capacity.

The Board therefore closely scrutinizes all appointment recommendations to ensure that the candidate possesses the skills and the expertise required to assist the Board of Directors.

At December 31, 2011, the Board of Directors includes one *censeur*, Mr. William Nahum.

3.3.1.3 Appointment of directors

Directors are appointed or re-appointed to office by the shareholders at their Annual Meeting. They become eligible for re-appointment at the end of their term of office.

3.3.1.4 Term of office

The term of office of a director is six years; it expires at the close of the Annual Meeting of Shareholders called to approve the financial statements for the preceding year and held during the year in which the term of office expires.

The AFEP/MEDEF Code of December 2008 recommends that directors' terms of office not exceed four years, mainly to ensure that the shareholders are able to express themselves, through elections, with sufficient frequency.

An amendment of Article 12 of the Articles of Association will be submitted to the Combined Ordinary and Extraordinary Meeting of Shareholderson May 3, 2012 so as to limit the term of office of a Director from six to four years and to enable the new appointments to the Board by rotation.

3.3.1.5 Age limit

The number of Directors (individuals or representatives of legal entities) more than 75 years of age may not exceed one third, rounded to the next higher number, of directors in office on the date of the Annual Meeting called to approve the annual financial statements. When this recommended proportion has been exceeded, the oldest director, except for the Chairman, shall be considered to have resigned.

The average age of current Board members is 55.

3.3.1.6 Shares held by directors

In addition to the ten (10) shares specified in Article 12 of the Articles of Association, each Director agrees to hold one thousand (1,000) shares as of the beginning of his or her term of office in accordance with the Rules of Procedure.

Also in accordance with the Rules of Procedure, each *censeur* shall pledge to hold five hundred (500) shares as of the beginning of his or her term of office.

These shares must be registered shares that are fully paid up.

This provision does not apply to employee shareholders who are appointed to the Board of Directors in accordance with Article L.225-23 of the French Commercial Code.

Based on a share capital of € 51,980,303 divided into 51,980,303 shares representing 66,503,584 theoretical voting rights, at December 31, 2011, the Directors had the following direct shareholdings:

	Number of shares	% of shares	Number of direct voting rights	% of direct voting rights
Philippe Lazare	390,463	0.75%	507,047	0.76%
Guillaume Cerruti	1,010	-	1,010	-
Jean-Pierre Cojan	1,010	-	1,010	-
Diaa Elyaacoubi	1,010	-	1,010	-
Alex Fain	1,020	-	1,020	-
Allan Green(1)	20,190	0.04%	40,380	0.06%
Jean-Paul Jainsky	1,091	-	2,170	-
Michel Malhouitre	659,279	1.27%	1,318,558	1.98%
Xavier Moreno	2,129	-	4,231	0.01%
Jean-Jacques Poutrel	294,517	0.57%	573,040	0.86%
Thibault Poutrel	784,619	1.51%	1,569,238	2.35%
Celeste Thomasson	1,010	-	1,010	-
Elie Vannier	2,174	-	3,251	-
NOMBRE TOTAL	**2,159,522**	**4.15%**	**4,022,975**	**6.05%**

(1) According to the most recent information received on November 8, 2011.

3.3.1.7 Functioning of the Board of Directors

Chairman

In accordance with Article 13 of the Articles of Association, the Board of Directors elects a Chairman from among its members. The Chairman must be an individual; otherwise, the appointment will be null and void.

The Chairman of the Board of Directors organizes and conducts the Board's work and reports on it at the Annual Meeting of Shareholders. He ensures that the Company's various bodies are functioning properly and, in particular, that the Directors are in a position to perform their duties.

The Chairman's term of office automatically expires at the first Annual Meeting of Shareholders held during the year in which the Chairman reaches the age of 75.

Board meetings

The Board of Directors meets as often as required to serve the Company's interests, and at least once each quarter.

During the year ended December 31, 2011, the Board of Directors convened eleven times.

Notices of meeting

Meetings may be called, using any means, by the Chairman or on the Chairman's behalf by any person designated by him, or alternatively at the request of half of the members of the Board.

Every notice of meeting is accompanied by the meeting's agenda.

During the year ended December 31, 2011, notices of meeting and the accompanying documentation were sent, other than for exceptional cases, on average, eight days before the scheduled meeting date.

The attendance rate of Board members, including members participating via telecommunications, in the year ended December 31, 2011 was 90%.

At the start of each calendar year, the Board draws up a schedule of meetings for that year, based on the Chairman's proposals, and indicates the topics to be discussed.

The following persons are called to Board meetings:

- the members of the Board of Directors;
- the *censeur*;
- as of December 31, 2011, four Works Council members chosen to represent the Council: two of them belong to the managerial staff category;one belongs to the technician and supervisor category, and another one to the clerical staff category. These representatives participate in Board meetings in a consultative capacity;
- the statutory auditors, but only if the meeting is called to examine or approve annual or interim financial statements (such as half-yearly statements) or for any other purpose that requires their presence.

Members of the executive committee, in particular, the Chief Financial Officer, are regularly requested to take part in meetings when the agenda warrants it.

Functioning of the Board of Directors

The Chairman makes sure that the Board of Directors functions properly and that the Board members are able to fulfil their mandate, particularly that they have all the necessary information to do so.

The Chairman presents the Board members and statutory auditors with the draft regulated agreements referred to in Articles L.225-38 *et seq.* of the French Commercial Code. He also informs the statutory auditors of any regulated agreement that has been approved by the Board of Directors and must be approved by the Shareholders at their Annual Meeting.

At least once each quarter, the Chief Executive Officer submits a report to the Board of Directors that includes the key figures for the main companies in the Group, most notably sales, profit and performance in relation to forecasts.

The Chief Executive Officer regularly informs the Board of Directors of significant events and transactions related to the Company's strategy.

Once each half-year period, the Board of Directors examines the statement of the Group's off-balance sheet commitments presented by the Chief Financial Officer.

The Chief Executive Officer also keeps the Board of Directors informed of any decision involving internal reorganization and any asset acquisition or disposal plans.

Furthermore, any accounting principles used that have a material impact on how the Group's financial statements are presented are formally validated by the Chief Executive Officer, reviewed by the audit committee in the presence of the statutory auditors and, if necessary, brought to the Board's attention at the discretion of the audit committee.

At all closing dates for published financial statements, the Chief Executive Officer and financial management explain the main accounting options and justify the choices ultimately made to the audit committee in the presence of the statutory auditors. The matter may be brought to the Board's attention at the discretion of the audit committee.

Information provided to the Board of Directors

The on-going provision of timely information to the members of the Board of Directors is a vital prerequisite for the fulfilment of their mandate.

At any time during the year, the Board of Directors may conduct any verifications and controls it deems appropriate. To this end, any Board member may ask to be supplied with the documents needed to fulfil his or her mandate by submitting a request to the Chairman of the Board.

Insofar as it is possible, the Board members are informed no later than eight days prior to the date of the next Board meeting of all points to be discussed at that meeting, and they are supplied, within the same time limit, with any materials they may need to examine and understand the points on the agenda, so that they may properly fulfil their mandate. This obligation to provide adequate, relevant, exhaustive information is the responsibility of the Chairman of the Board and Chief Executive Officer since the Board combined the positions.

Prior to the meeting, each Board member is given a file containing the documents pertaining to the main points on the agenda.

Similarly, the Board members must make sure that they have all the information they need to fulfil their mandate. It is their duty to request any further information they may require.

Representation of Board members

Board members have the option of authorizing another Board member in writing (for example, by mail, fax or telegram) to represent them at a Board meeting. No single Board member may have more than one proxy at a given Board meeting.

Videoconferencing and telecommunications

In compliance with the provisions of the Company's Articles of Association and the rules of procedure of the Board, Directors shall be considered present, for calculating quorum and majority, if they take part in Board meetings via videoconferencing or other telecommunications systems allowing them to be identified and guaranteeing their effective participation, the characteristics of which are set forth by the relevant statutory provisions, except when the Board meets for the matters referred to in Articles L.232-1 and L.233-16 of the French Commercial Code.

Decision-making

Decisions by the Board of Directors require a simple majority of those members present or represented, with the following exceptions as provided for in the Board's Rules of Procedure:

(a) decisions requiring a qualified majority in accordance with a delegation of powers voted by the shareholders;

(b) decisions pertaining to the following matters (decisions of prior approval given to the Chief Executive Officer and/or to the Deputy Chief Executive(s) or any other decision by the Board on said matters):

1. any financial transaction liable to have a material effect on the strategy and scope of the Ingenico Group and involving an amount in excess of €50 million,
2. any financial transaction involving an amount in excess of €100 million,
3. any capital increase or series of capital increases liable to modify by more than 10 per cent the total share capital and/or voting rights in Ingenico during a period of less than twelve consecutive months, and not entailing pre-emptive subscription rights for existing shareholders,
4. any capital increase or series of capital increases liable to modify by more than 20 per cent the total share capital and/or voting rights in Ingenico during a period of less than twelve consecutive months, and with the pre-emptive subscription rights of existing shareholders maintained;

c) decisions pertaining to the following matters:

1. the reappointment, appointment or removal from office of the Chairman of the Board and/or the Chief Executive Officer of Ingenico,
2. any change in the Board's Rules of Procedure liable to alter the qualified majority requirements and/or the list of matters requiring a decision by qualified majority,
3. any draft resolution submitted by the Ingenico Board of Directors for approval by the shareholders that is liable to alter the qualified majority requirements for decisions by the Ingenico Board of Directors and/or the list of matters requiring the Ingenico Board of Directors to reach a decision by qualified majority.

The decisions referred to in points b) and c) must be made by a qualified majority equal to a whole number of votes greater than two thirds of the total number of all Board members present or represented at the meeting (with each Board member entitled to one vote).

In the event that a proposal to re-appoint or appoint the Chairman of the Board and/or the Chief Executive Officer is voted down, a new candidate must be proposed to the Board within five business days following said vote. In such a case, by exception to the preceding paragraph, the decision may be made by a simple majority of all Board members present or represented at the meeting.

The Chairman shall hold the casting vote in the event of a tie.

Proceedings

The proceedings of Board meetings shall not be considered valid unless at least half of all standing Board members are present.

The minutes of the proceedings at every Board meeting are recorded in a special minutes book, signed by the Chairman and at least one other Board member.

The extracts or copies of these minutes shall be certified valid by the Chairman of the Board, the Chief Executive Officer, the Deputy Chief Executive Officers or the Board member serving as acting Chairman.

3.3.1.8 Mandate of the Board of Directors

In the framework of its legal prerogatives, the Board of Directors has the following responsibilities:

- to determine the Company's strategic policies and ensure that they are implemented;
- to concern itself with all issues related to the proper functioning of the Company and settle them through its proceedings;
- to examine all acts by which the various Group entities benefit from funding and guarantee instruments;
- to study all internal or external transactions likely to have a material impact on profits or to alter the balance sheet structure substantially;
- to carry out any controls and verifications it may deem appropriate.

Commitments by the Company to provide guarantee instruments may only be authorized by the Chief Executive Officer with the prior approval of the Board of Directors. In practice, each year, the Board of Directors sets a global amount and an amount per commitment, below which its prior approval is not required.

The Board of Directors approves, following the procedure described in Article L.225-38 of the French Commercial Code, the agreements between the Company and any of its executive officers, directors or shareholders with over 10 per cent of the voting rights in the Company, as well as any commitment made for the benefit of the Chairman or the Chief Executive Officer in the form of compensation or benefits payable awarded upon termination of their mandate or subsequently thereto.

It also makes the decisions in the aforementioned matters.

3.3.1.9 Activity of the Board of Directors during the year ended December 31, 2011

In addition to reviewing the special-focus work prepared by the committees, during its meetings of the year ended December 31, 2011, the Board of Directors also examined:

- the approval of the parent company and consolidated financial statements for the year ended December 31, 2010, and the appropriation of net profit or loss;
- the preparation of the Annual Combined Ordinary and Extraordinary Meeting of Shareholders: The Board of Directors drafted the resolutions to be submitted to the Combined Ordinary and Extraordinary Meeting of Shareholders on April 28, 2011, in addition to the Management Report and the Chairman's report on the Board's composition, how it prepares and organizes its work and the Company's internal control and risk management procedures;
- the Regulated Agreements referred to in Article L.225-38 of the French Commercial Code: these agreements are discussed in detail in the Statutory Auditors' Special Report;
- the issuance of OCEANE Convertible bonds authorized by the May 10, 2011 extraordinary shareholders meeting;
- the 2011 interim results and the quarterly revenues;
- the 2011 budget;
- the cutting off of management planning documents;
- the follow up of the existing stock subscription options plans and free share awards;
- the supplementary benefit of employees profit-sharing;
- the capital increase resulting from the issuance of new shares for the distribution of stock dividends;
- the determination of the powers of the General Director regarding guarantees and warranties;
- the review of the application of new Board members;
- the transfer of the Company's registered office;
- the study of various strategic investment or divestment projects;
- the acquisition of the Xiring equity.

Last, the Board approved the implementation of a share buyback program, thus making use of the powers granted to it by the shareholders at their meeting of April 28, 2011.

3.3.1.10 Board of Directors' Committees

The Board of Directors has set up specialized committees to help it function more effectively and facilitate its decision-making.

The committees are composed mainly of Directors, whether individuals or permanent representatives of legal entities, appointed by the Board.

However, the committees may also include one or more *censeurs* (independent advisors), as well as one or more outside members selected for their particular skills. All committee members are required to serve in a personal capacity; no alternates or proxies are permitted.

The Chairman of the Board of Directors may attend all committee meetings.

Each committee reports on its work, via its Chairman, at the next meeting of the Board of Directors.

Minutes of each committee meeting are taken by the secretary of the Board of Directors, presented to the committee members for approval at the next meeting and shared with the Chairman of the Board of Directors. A register recording the proceedings of each committee is kept at the Company's registered office.

Each committee issues proposals, recommendations and opinions, as appropriate, in its area of specialization as described below. A committee has the authority to perform, or to have performed, any study that may facilitate the decision-making of the Board of Directors. It may also question Group employees as needed, strictly for the purpose of carrying out the checks and verifications it is required to perform.

The Strategy Committee

At December 31, 2011, the committee had eight members: Jean-Paul Jainsky (Chairman), Allan Green, Michel Malhouitre, Xavier Moreno, Jean-Jacques Poutrel, Thibault Poutrel, Jean-Pierre Cojan and Diaa Elyaacoubi.

The strategy committee has been given the following mandate:

- to examine investment projects and plans for expanding existing operations in France or abroad, as well as any possible asset acquisition or disposal plan, so that the Board of Directors may give the necessary approval;
- to monitor previous investments periodically and to carry out all appropriate research and assignments;
- to examine all proposals by financial investors or industrial firms to acquire a stake in the Company, particularly through merger and acquisition operations.

To fulfil this mandate, the strategy committee may act in conjunction with the Chairman or Chief Executive Officer to enlist the cooperation of Group functional and operational directors.

The committee may also make use of outside consultants and experts, subject to the approval of the Board of Directors.

The committee periodically informs the Board of Directors of its work, research and recommendations. It is up to the Board to determine what use should be made of such information.

Each year, the committee holds at least two meetings called by its Chairman, who also has the option of calling further meetings as required.

The strategy committee convened five times during the year ended December 31, 2011. During the year, in particular, it examined the acquisition projects regarding BTG in Belgium and Xiring in France as well as the strategic plan for the next five years.

The attendance rate of committee members during the year ended December 31, 2011 was 60%.

Audit and Finance Committee

The Company has not expressly stated that it implements the Poupart-Lafarge report on audit committees of July 22, 2010. In practice, however, the Company applies the recommendations made in the report.

The Company's rules of procedure specify that the audit and finance committee must have no less than three and no more than seven members, including a chairman, who must be an independent director. The members, including the Chairman, must have financial and accounting expertise and are appointed by the Board of Directors.

At December 31, 2011, the committee had five members: Elie Vannier (Chairman), Guillaume Cerutti, William Nahum, Thibault Poutrel and Alex Fain.

The Chairman, Elie Vannier, is an independent Director. His experience and expertise, especially in finance, are described in the management report.

The other committee members also have financial and accounting competencies, gained in particular through their work experience, as mentioned in the management report.

The mandate of the finance and audit committee is to assist the Board in continually monitoring the way in which the Company is run, in compliance with legislation and with the Company's Articles of Association. The committee is also responsible for alerting the Board to any irregularities or anomalies it may detect in the Company's financial statements or internal control and risk management procedures.

It is responsible for monitoring and giving its opinion to the Board of Directors on the following topics:

- the audit of financial statements by the statutory auditors;
- the reporting and content of annual and half-year results;
- the process of preparing financial information;
- significant financial transactions (debt, shareholders' equity, quasi-equity, etc.) proposed by the Company;
- the effectiveness of internal control and risk management systems;
- the independence of the statutory auditors.

The committee may benefit from the assistance or participation of all departments in the Company or its subsidiaries. To carry out its duties, it may, with the approval of the Board of Directors, seek any outside advice or expertise that it deems necessary.

For certain issues, such as accounting treatment or the financial aspects of major transactions, the input of another committee is required. In this case, the audit and finance committee may ask the chairmen of the relevant committees to collaborate, under the terms that they define with the approval of the Chairman of the Board of Directors.

During the preceding year, in addition to the parent company and consolidated financial statements for 2010 and the financial statements for the first half of 2011, the committee examined the issuance of the OCEANE convertible bonds authorized by the May 11, 2010 extraordinary shareholders meeting, the 2011 budget, the internal audit assessment for 2010 and program for 2011, financing matters, foreign exchange risk hedging and various tax-related issues.

Each year, the audit and finance committee holds at least three meetings called by its Chairman, who also has the option of calling further meetings as required.

The audit committee convened seven times during the year ended December 31, 2011.

The attendance rate of committee members during the year ended December 31, 2011 was 83%.

The Compensation and Appointments Committee

At December 31, 2011, the committee had six members: Xavier Moreno (Chairman), Allan Green, Jean-Jacques Poutrel, Michel Malhouitre, Elie Vannier and Celeste Thomasson.

The compensation and appointments committee makes recommendations to the Board of Directors on compensation of executive officers as well as on free share awards and stock options granted to Group employees and executive officers, and on employee shareholding policy in general.

It also makes recommendations on appointments to the Group's executive and supervisory bodies and on appointments of directors or *censeurs* to the Board of Directors.

The committee periodically informs the Board of Directors of its work, research and recommendations. It is up to the Board to determine what use should be made of such information.

Each year, the Compensation and Appointments Committee holds at least two meetings called by its Chairman, who also has the option of calling further meetings as required.

The compensation and appointments committee convened three times during the year ended December 31, 2011.

In particular, it examined the following issues:

- variable compensation paid to the Chairman and the Chief Executive Officer for 2010 and the criteria governing the Chairman and Chief Executive Officer's variable compensation for 2011;
- the allocation of director's fees for 2010 and the aggregate amount of these fees for 2011;
- the review of the application of new Board members.

The attendance rate of committee members during the year ended December 31, 2011, was 89%.

The Corporate Governance and Ethics Committee

At December 31, 2011, the committee had three members: William Nahum (Chairman), Elie Vannier, Jean-Pierre Cojan and Celeste Thomasson.

Its mandate is to examine all issues related to corporate governance and ethics inside the Group.

The committee periodically informs the Board of Directors of its work, research and recommendations. It is up to the Board to determine what use should be made of such information.

In accordance with the rules of procedure, each year, the committee holds at least three meetings called by its Chairman, who also has the option of calling further meetings as required.

The corporate governance and ethics committee convened twice during the year ended December 31, 2011. The attendance rate of committee members during the year was 75%.

More specifically, the committee assessed the work of the Board of Directors in 2010 using a questionnaire and presented its findings to the Board on February 25, 2011. The Board noted certain suggestions for improvement, in particular regarding the number of independent Directors.

The committee also reviewed the composition of the Board regarding the questions related to the representation of the representation of independent directors and women on the Board. The committee performed an assessment of the functioning of the Board of Directors for the year 2011 at its meeting of February 21, 2012, and reported its conclusions at the Board meeting of February 23, 2012.

The Operations Committee

The operations committee was dissolved by the Board of Directors on April 28, 2011. It didn't meet during fiscal 2011.

3.3.2 INTERNAL CONTROL AND RISK MANAGEMENT

The Company uses the international internal control framework developed by COSO (Committee Of Sponsoring Organizations of the Treadway Commission, published in the U.S. in 1992) and applied the framework's general principles in organizing the description of its internal control system for this report.

3.3.2.1 Definition and objectives of internal control

The Company supports the definition of internal control proposed by COSO:

Internal control is a process, implemented by an entity's Board of Directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- effectiveness and efficiency of operations;
- reliability of financial information;
- compliance with applicable laws and regulations.

The internal control system implemented in the Company, as well-designed and well-applied as it may be, can only give shareholders, executive officers and directors reasonable assurance that the above objectives will be achieved. The probability of achieving them is subject to the inherent limitations of any internal control system, such as faulty judgment in decision-making, the need to perform a cost/benefit analysis before implementing controls, or malfunctioning arising from a human error or other simple error.

3.3.2.2 Scope of internal control

The internal control system set up by the Company encompasses all companies included in the Group's scope of consolidation.

3.3.2.3 Description of internal control procedures

The Company takes the same approach to internal control as the COSO framework, in which five components are defined:

- control environment;
- risk assessment;
- control activities;
- information and communication;
- monitoring.

Control environment: the control environment is the foundation for all other components of internal control. It encompasses the integrity, ethical values and competence of personnel; the management style of the executive team; policies on the assignment of authority and the organization and development of personnel; and the governance rules applied at the initiative of the Board of Directors.

The Company's Board of Directors includes an audit and finance committee, whose composition, meeting frequency and main responsibilities are described in this report. It plays a key role in monitoring internal control, since its responsibilities include:

- examining and assessing all points related to the preparation, auditing and publication of financial documents produced by the Company in connection with its financial reporting;
- reviewing the annual internal audit plan and monitoring the recommendations issued by the statutory auditors and the internal audit team;
- keeping informed of progress made with risk management programs.

The Code of Ethics and Business Conduct that has been implemented in the Group sets down all of the essential rules of conduct that the Group expects all employees to abide by and is an important tool in maintaining the quality of the Group's control environment.

Self-assessments conducted by Group subsidiaries to evaluate the quality of their control environment were launched in 2009 and repeated in 2010. In 2011, the internal control manual used as a self-assessment basis was completely reviewed and enhanced. The self-assessment up-dating process will be carried on, on this basis in 2012. The 2012 internal audit plan incorporates the year's findings. These self-assessments will continue to be updated annually.

Risk assessment: Every entity faces a variety of risks from external and internal sources that may impact the achievement of its objectives and that must be managed, i.e. identified and analyzed. The main risks facing the Company are described in Chapter 4 of the 2011 RD.

Ingenico's approach to risk control is based on assessing risks using mapping techniques and developing plans of action to manage the risks. Risk analysis and prevention methodology is the responsibility of the Internal Audit Department.

The Ingenico Group regularly maps its risks. In 2009, the risk map revealed some ten or so risks pertaining to strategy, sales activity, operations, human resources and finance. For each risk, the likelihood of occurrence, the potential impact and the effectiveness of existing control measures were assessed. Action plans to reduce Ingenico's exposure to the risks identified as the most significant were set, with implementation to be staggered over 2010 and 2011. These plans are managed by the people who "own" the specific risks and are responsible for the relevant risk control and reduction plans. The risk mapping process was initiated in early 2012 and should be completed in 2012.

To enable it to monitor risks and the risk management process, the Corporate Governance and Ethics Committee and the finance and audit committee keep the Board of Directors informed of the principal steps taken to monitor risks, such as the creation of internal control positions in subsidiaries, the introduction of the Code of Ethics and Business Conduct and the up-dating of an internal control manual.

Control activities: Control activities can be defined as the application of policies and procedures that help ensure management directives are carried out.

At the initiative of Company management, a set of rules and procedures was gradually introduced for each executive, business or functional unit. The Group also rigorously and actively monitors the performance of each business unit and the application of the Group's policies.

To enhance the consistency of rules and procedures, an internal control manual is now effective for the all Group subsidiaries. Each chapter of the manual provides a detailed list of the control objectives to be achieved and the key controls to be implemented. The manual was also aligned with the Group's risk map. The rules and procedures comprised in this manual are up-dated and up-graded on a regular basis. This was the case in 2011 essentially on CSR and on transaction processes.

Information and communication: Pertinent information regarding internal control must be identified, gathered and reported in a form and timeframe that enable each relevant person in charge to be informed of identified weaknesses and to take the required corrective action.

The Ingenico Group's strategy includes maintaining its strong local presence worldwide, especially in five key regions. It is very important to be close to our customers and partners so that we can offer them the solutions that best meet their needs and the specific characteristics of their region. This is one of the Group's main strengths in sales. Our information channels and organizational structure have been designed so that any internal control weaknesses as well as any best practice implemented by a regional or business unit can be reported and shared with all relevant managers.

The Regions are organized in a similar manner to the Group's management, enabling faster decision-making, greater efficiency and increasingly fluid information flow between the corporate center and the regions.

Information and communication regarding internal control are closely related to the Group's organizational structure:

- budget control is ensured through monthly reporting on performance. Each region produces a report, which is consolidated centrally. The purpose of the reporting is to track where sales and profits are being generated, analyze the resulting operating income and identify deviations from the budget;
- during monthly reviews, regional/country directors meet with the executive committee to analyze performance and operational issues requiring attention.

Corporate functions are responsible for ensuring that the Group's business strategy is applied in their area of responsibility. Accordingly, the Operations division ensures that production work is carried out in compliance with the standards set by the Group and handled by subcontractors that it has approved. The Marketing division defines and validates the product and marketing policies adopted in the regions.

Monitoring: Internal control systems need to be monitored to assess the quality of performance over time. This is accomplished through on-going monitoring activities and periodic evaluations.

To conduct these periodic evaluations, an Internal Audit Department has been set up. It reports directly to the Chairman and Chief Executive Officer. It carries out missions for all of the Group's cross-functional departments and subsidiaries and monitors issues related to internal control and risk management.

An internal audit plan is established each year on the basis of the internal audit findings in the preceding years, the risk-mapping described above and the results of the control environment self-assessment process. Such audits may pertain to subsidiaries, processes or narrower issues at the request of the executive committee or the Chairman and Chief Executive Officer.

In 2011, the Internal Audit Department carried out an audit program approved by the Audit and Finance Committee. It implemented the action plans required to correct any observed deficiencies. The work carried out in 2011 did not reveal any significant internal control weaknesses or deficiencies.

3.3.2.4 Internal control procedures relating to the preparation and processing of accounting and financial information

Accounting and financial organization

In order to achieve complete transparency between operating departments and financial management and ensure that operations are reported to the fullest possible extent, the Group has adopted the following organization for its teams, resources and processes:

- financial controllers and/or chief financial officers at subsidiaries report to the Group Chief Financial Officer rather than to subsidiary or regional heads;
- the members of the executive committee meet with the regional directors several times a year;
- all of the Group's main entities use the same accounting management system;
- the Group chart of accounts is recast;
- a Management Manual, compiling all the instructions for reporting and the completion of consolidation worksheets, is being drafted.

This organization provides the accounting and financial function with all the data required to prepare the financial statements for the entire scope of operations.

Accounting and financial information systems

As mentioned earlier, one of Ingenico's goals in recent years has been to standardize its information systems (SAP, Magnitude).

The standard Management Reporting format, the primary tool for analysing the operational performance of entities, is being recast so that the Group can compare and analyse entity performance for each product or service line and for operating expenses and this way prepare Ingenico to the future developments of its markets. Monthly management information is generated from monthly closing data.

Disclosure of financial and accounting information

Financial and accounting information is not disclosed until it has been reviewed and approved by the Chief Financial Officer.

The Company abides by a timetable of its accounting and financial disclosure and reporting obligations.

Internal control over finance

The following tools are used to monitor the accuracy of financial data on an ongoing basis:

- controllers are regularly provided with instructions on budgetary implementation, reporting and consolidation worksheets;
- a Group-wide chart of accounts has been introduced;
- detailed monthly analysis of performance at all entities is conducted on the basis of entity reporting. This process enables the Group to verify the correct financial rendering of its business activity and to identify any possible operating risks (e.g. delays in accounts receivable, credit notes to be issued, litigation, excess inventory), while also reviewing the grounds for holding the Group's main assets;
- each quarter, all legal entities are required by the Articles of Association to perform a closing process, followed by consolidation and reconciliation with financial reporting to identify any possible discrepancies. The closing process includes a global review of inventory write-downs with the Operations division;
- cash flow at all Group companies is regularly analyzed;
- all funding across the Group is centralized in the Corporate Treasurer's Office (under the control of the Chief Financial Officer);
- hedging transactions for all Group entities are centralized in the Corporate Treasurer's Office;
- all bank account openings/closings and all bank account signing authorities are centralized;
- the treasury centralization process (with a cash pooling system) has been completed.

Current trends

The Ingenico Group places the utmost importance on its internal control system. This is best demonstrated by the investments it has made to further improve the organization of its internal control, as described in this report. The Ingenico Group has set itself the following goals to be achieved at the end of 2011:

- new standard Management Reporting format;
- shortening of the timeframe for the closing of the yearly accounts for the Group;
- implement a procedure to monitor annual risk occurrence and the level of risk control in the Group;
- strive continuously for greater efficiency in the internal audit function and the communication protocol for internal control;
- continue to improve subsidiary support and accountability regarding internal control, especially at entities having recently joined the Group;
- further accelerate the publication of its financial information.

3.3.3 LIMITS PLACED BY THE BOARD OF DIRECTORS ON THE POWERS OF THE CHIEF EXECUTIVE OFFICER

The limits placed by the Board of Directors on the powers of the Chief Executive Officer are described in Article 2 of the Board's rules of procedure and are reviewed below.

The consent of the Board of Directors is required before the Chief Executive Officer may appoint any person to act as a permanent representative of the Company or of companies that it controls directly or indirectly, as defined in Article L.233-3 of the French Commercial Code, to the Board of Directors or the Supervisory Board of any company that is not directly or indirectly controlled by the Company. The Board of Directors shall base its decision on any proposals or opinions issued by the Compensation and Appointments Committee.

The prior consent of the Board is also required for the following:

(i) setting the consolidated budget for the year;

(ii) setting the consolidated business plan;

(iii) any investment, divestiture, acquisition of equity interests or assets, contribution or disposal of assets, merger, demerger or partial contribution of assets in an amount exceeding €25 million;

(iv) any application for a loan exceeding €35 million or any issuance of bonded debt or other long-term liabilities exceeding €35 million;

(v) any transaction liable to have a material effect on the strategy and scope of the Ingenico Group and involving an amount in excess of €50 million.

(vi) any transaction involving an amount of over €100 million;

(vii) any capital increase or series of capital increases liable to modify the total share capital and/or voting rights in Ingenico by more than 10% within a period of less than 12 consecutive months, which does not maintain preemptive rights for existing shareholders;

(viii) any capital increase or series of capital increases liable to modify the total share capital and/or voting rights in Ingenico by more than 20% within a period of less than 12 consecutive months, regardless of whether it maintains preemptive rights for existing shareholders.

3.3.4 SHAREHOLDER PARTICIPATION IN SHAREHOLDERS' MEETINGS

The rules governing attendance at and participation in shareholders' meetings are set forth in Article 19 of the Articles of Association and described in the "Legal and Financial Information" section of the registration document for 2011.

3.3.5 PRINCIPLES AND RULES ADOPTED BY THE BOARD TO DETERMINE THE COMPENSATION AND BENEFITS OF DIRECTORS AND EXECUTIVE OFFICERS

The principles and rules governing the determination of the Directors' and Executive Officers' compensation and benefits are determined by the Board after conferring with the Compensation and Appointments Committee in abidance with the rules of procedure of the Board. These principles and rules are specified in the management report of the Board of Directors in compliance with Article L.225-102-1 of the French Commercial Code.

3.3.6 INFORMATION WITH A POTENTIAL IMPACT ON TAKEOVER BIDS

Any information with a potential impact on public offerings is described in the Management Report, in accordance with Article L.225.100-3 of the French Commercial Code.

Philippe LAZARE

Chairman and Chief Executive Officer

3.4 STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLES L .225-235 AND L.226-10-1 OF THE FRENCH COMMERCIAL CODE, ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS OF THE COMPANY INGENICO S.A.

Year ended December 31, 2011

To the Shareholders,

In our capacity as statutory auditors of the company Ingenico S.A., and in accordance with Articles L.225-235 and L.226-10-1 of the French Commercial Code ("*Code de commerce*"), we hereby report to you on the report prepared by the Chairman of your company in accordance with Articles L.225-37 and L.226-10-1 of the French Commercial Code for the year ended December 31, 2011.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by Articles L.225-37 and L.226-10-1 of the French Commercial Code, particularly as regards corporate governance.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information; and
- to attest that the report contains the other disclosures required by Articles L.225-37 and L.226-10-1 of the French Commercial Code, it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our audit in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

These standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information.

These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based, and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information, contained in the report prepared by the Chairman in accordance with Articles L.225-37 and L.226-10-1 of the French Commercial Code.

Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by Articles 225-37 and L.226-10-1 of the French Commercial Code.

Paris and Paris La Défense, March 7, 2012

The statutory auditors

KPMG Audit IS	C.G.E.C. SA
Jean-Pierre VALENSI	Sophie BRULEBOIS
Partner	Partner

ACTIVITY

4

4.1 2011 GROUP RESULTS

The consolidated financial data has been drawn up in accordance with International Financial Reporting Standards. In order to provide meaningful comparable information, that data has been presented on an adjusted basis, i.e. restated to reflect the depreciation and amortization expenses arising on the acquisition of new entities. Pursuant to IFRS 3 and to IFRS3R, the purchase price for new entities is allocated to the identifiable assets acquired and subsequently amortized over specified periods.

To facilitate the assessment of Ingenico's performance in 2011, revenue and key financial figures for 2010 have been restated from January 1, 2010 to reflect the change in the scope of consolidation which have occurred during 2010 fiscal year and presented on an adjusted basis ("2010 pro forma"): acquisition of TransferTo, Ingenico Prepaid Services France (formerly Payzone France), Ingenico Services Iberia (formerly First Data Iberica).

EBITDA is not an accounting term; it is a financial metric defined here as profit from ordinary activities before amortization, depreciation and provisions and before expenses of shares distributed to employees and officers.

EBIT is equal to profit from ordinary activities, adjusted for amortization of the purchase price for newly acquired entities allocated to the identifiable assets acquired.

Operating cash flow is defined as EBITDA less change in working capital less investments net of disposals.

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

4.1.1 REVENUE UP 10%

A change in reporting procedure

In 2011, Ingenico went further with reorganization, creating a Central Operations division responsible for the following:

- internal development and production work on terminals sold to sales subsidiaries;
- businesses operated on an international basis and monitored at Group level, i.e. TransferTo, Xiring and, starting in the first quarter ROAM Data (controlled by Ingenico since February 12, 2012).

All of this led Ingenico to change its procedures for internal reporting revenue and therefore segmental information in order to reflect its new structure more adequately.

	2011	2010		Change	
(in millions of euros)		Reported	Pro forma	Like-for-like	Reported
Europe-SEPA	471.6	431.7	442.7	6.0%	9.2%
Latin America	173.4	162.2	162.2	7.7%	6.9%
Asia-Pacific	167.8	129.0	128.8	27.9%	30.1%
North America	77.5	103.0	103.0	-22.6%	-24.8%
EEMEA	77.4	71.4	71.4	18.5%	8.4%
Central Operations	33.5	9.9	18.4	63.3%	239%
TOTAL	**1001.1**	**907.0**	**926.6**	**8.3%**	**10.4%**

In 2011, revenue totaled €1,001.1 million, supporting a 10.4% increase on a reported basis. Revenue included a negative foreign exchange impact of €7.8 million and revenue from 2011 acquisitions of €5.6 million. Total revenue included €833.7 million generated by the Payment Terminal business (hardware, servicing and maintenance) and €167.3 million generated by Transaction Services.

In 2011, all regions contributed to the Group's overall growth, with the anticipated exception of North America which has nevertheless started its sales recovery in the second half. Ingenico has continued to leverage growth in emerging markets, particularly in Asia-Pacific (equipment in China), in Latin America (activity remained dynamic in Brazil) and confirmed recovery in EEMEA (sustained sales growth in Russia, the Middle East and Africa).

Business has likewise held up well in Europe-SEPA. Revenue in North America remained down and as anticipated, sales have picked up in the United States during the second half as the first Telium terminals were shipped.

The Group's Central Operations division reported strong growth, due to expanding business for TransferTo.

In 2011, the share of total revenue generated by servicing, maintenance and transaction services rose to 31%, up by a substantial 300 basis points compared with 2010 (on a reported basis).

4.1.2 INCREASED GROSS PROFIT

Reported gross profit amounted to €416.8 million, compared with €366.1 million in 2010. Gross profit included €0.3 million of amortization expense on allocated assets. Gross profit gained 120 basis points to 41.6% thanks to higher gross profit in Payment Terminal (hardware, servicing and maintenance).

On a pro forma basis, gross profit for the full year increased by 140 basis points to 41.6%. The main driver of this performance was the 190 basis-point improvement in gross profit on the Payment Terminal business (hardware, servicing and maintenance), which reached 42.6% of revenue in 2011, due notably to the continuous improvement in gross profit on hardware and good margin performance in Maintenance.

Gross profit on Transaction Services was 36.8%, compared with 37.4% in 2010 on a pro forma basis, reflecting TransferTo's growth, which has a dilutive impact on gross profit. Excluding TransferTo, gross profit increased by 140 basis points from 42.4% in 2010 to 43.8% in 2011.

4.1.3 OPERATING EXPENSES UNDER CONTROL

Reported operating expenses stood at €288.3 million in 2011, up from €269.2 million in 2010. This figure includes the €25.8 million amortization expense on allocated assets. This increase was primarily attributable to the higher sales and administrative expenses related to the expansion of support functions at Group and regional levels. Operating expenses were equaled to 28.8% of revenue, 90 basis points lower than the 2010 figure.

	2011			2010	
	Reported	Adjustment related to depreciation amortization charges on acquisitions	Adjusted	Adjusted Pro forma	Reported
Sales & Marketing	97.3	(17.3)	80.0	70.9	85.2
Research & Development	76.6	(8.5)	68.1	72.5	84.2
General & Administrative	114.4	-	114.4	104.0	99.8
TOTAL OPERATING EXPENSES	**288.3**	**(25.8)**	**262.5**	**247.4**	**269.2**
AS % OF REVENUE	**28.8%**		**26.2%**	**26.7%**	**29.7%**

Restated to reflect the €25.8 million amortization changes yielded by the acquisitions, operating expenses rose slightly from €247.4 million in 2010 (pro forma) to €262.5 million in 2011. This increase was primarily attributable to the higher sales and administrative expenses related to the expansion of support functions at Group and regional levels. Operating expenses represented 26.2% of revenue, 50 basis points lower than the 2010 pro forma figure.

4.1.4 MARGIN ON ORDINARY ACTIVITIES UP 210 BASIS POINTS TO 12.8%

Reported profit from ordinary activities grew by 33% to €128.5 million, versus €96.9 million in 2010. This is inclusive of the charges related to the allocation of the acquisitions of Moneyline, Planet, Sagem Monetel, Landi, easycash and Xiring which decreased to €26.2 million. Margin on ordinary activities was equal to 12.8% of revenue, an increase of 210 basis points year on year.

4.1.5 SIGNIFICANT GROWTH IN PROFIT FROM OPERATIONS, UP 50%

After accounting for Purchase Price Allocation expenses and other operating income and expenses, profit from operations rose by 50% to €110.8 million from €73.8 million in 2010. Operating margin increased by 300 basis points to 11.1% of revenue.

In 2011, other operating income and expenses amounted for -€17.7 million, compared to -€23.1 million in 2010. Other operating income and expenses primarily included costs for the migration of applications to Telium2 platform (€3.4 million), the costs of transferring the head office (€4.2 million) and the ISS tax settlement in Brazil (€3.4 million).

(in millions of euros)	2011 reported	2010 reported
Profit from ordinary activities	**128.4**	**96.9**
Other income & expenses	(17.7)	(23.1)
Profit from ordinary activities	**110.8**	**73.8**
As a % of revenue	11.1%	8.1%

4.1.6 RECONCILIATION OF PROFIT FROM ORDINARY ACTIVITIES TO EBITDA

(in millions of euros)	2011	2010
Profit from ordinary activities	128.5	96.9
Allocated assets amortization	26.2	28.8
Other D&A and changes in provisions	24.4	35.0
Share based payment expenses	4.5	5.2
EBITDA	183.6	165.9

4.1.7 EBITDA UP 11%

EBITDA increased by 11% to €183.6 million, compared with €165.9 million in 2010. The EBITDA margin was 18.3%.

On comparable basis, EBITDA increased by 10% to €183.6 million, compared with €166.7 million in 2010 (pro forma). The EBITDA margin was 18.3% of revenue, up 30 basis points against 2010 pro forma.

4.1.8 FINANCIAL RESULT

(in millions of euros)	2011	2010
Interest expenses	(26.6)	(11.7)
Income from cash and cash equivalents	7.2	3.3
Net finance costs	**(19.4)**	**(8.3)**
Foreign exchange gains/(losses)	(4.1)	0.9
Other financial income	(3.6)	(2.4)
Financial result	**(27.1)**	**(9.8)**

Financial result decreased to -€27.1 million (versus -€9.8 million in 2010). This is primarily due to non-cash impact (-€9.4 million) of accounting for the convertible bond issued in March 2011 in accordance with IFRS and the accelerated amortization of the expense of putting in place the syndicated credit facility in 2009 that was refinanced in August 2011.

The financial result also included foreign exchange losses of €4.1 million resulting from the impact of exchange rate fluctuations on the conversion of transactions in foreign currencies.

4.1.9 GROWTH IN NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS, UP 43% TO €56.5 MILLION

(in millions of euros)	2011	2010
Profit from ordinary activities	**110.8**	**73.8**
Financial result	(27.1)	(9.8)
Share of profit of equity-accounted investees	(3.2)	(1.7)
Profit before income tax	80.5	62.3
Income tax	(22.5)	(22.7)
Net profit	**58.0**	**39.6**
Net profit attributable to shareholders	**56.5**	**39.6**

In 2011, the net profit attributable to Ingenico SA. shareholders was €56.5 million, compared with 39.6 million in 2010. This figure included financial result of -€27.1 million (versus -€9.8 million in 2010) and a stable income tax expense of €22.5 million (versus €22.7 million in 2010).

The tax rate stood at 26.9%[(1)] in 2011, versus 35.5% in 2010. The decrease in the tax rate is mainly due to the abnormally high rate in 2010 resulting from non-recurring expenses (particularly goodwill in North America), and growing contribution to Group results from Landi, an entity taxed at below the average rate for the Group.

4.1.10 PROPOSED DIVIDEND OF €0.50 PER SHARE, UP 43%

In 2011, net earnings per share were €1.11, up from €0.81 in 2010. The Board of Directors will be proposing that the shareholders vote at their Annual Meeting of May 3, 2012 to increase the dividend for the third year in a row to €0.50 per share, with dividends payable in cash or in shares, at the option of the holder.

4.1.11 ENHANCED FINANCIAL POSITION

Total equity attributable Ingenico SA shareholders increased to €623.5 million.

Net debt at December 31, 2011 remained stable at €109.6 million (versus €109.1 million at December 31, 2010).

The €119.2 million generated in operating cash flow resulted from high EBITDA, efficient management of investments net of disposals excluding financial investments (€34.4 million, representing 3.4% of revenue) and the impact of a negative change in working capital of €30.0 million, mostly due to the remedy of a temporary postponed payment to suppliers as at December 31, 2010 and lower inventory at December 31, 2011.

Cash flow from investing activities totaled €107.3 million, up 41% as a result of acquisitions carried out during the year, particularly the acquisition of XIRING for €53.8 million in December 2011.

Cash flow from financing activities totaled €191.8 million, primarily from the €250 million convertible bond issued on March 11, 2011 maturing on January 1, 2017 and the repayment of the €34 million acquisition credit facility taken out in June 2010. This figure also includes a cash dividend payment of €5.3 million.

Ingenico's main financial ratios at December 31, 2011 demonstrate the Group's strong financial structure. At December 31, 2011 the net debt to equity ratio was 18%. The net debt to EBITDA ratio was 0.6x.

(in millions of euros)	2011	2010
EBITDA	**183.6**	**165.9**
Change in working capital	(30.0)	16.2
Investments net of disposals excluding financial investments	(34.4)	(23.2)
Operating cash flow	**119.2**	**158.9**

(1) Tax rate: tax expense/(profit before income tax – share of profits of associates).

4.2 OUTLOOK FOR 2012

4.2.1 2012 OUTLOOK

In the current context, Ingenico has begun 2012 with confidence in its ability to continue to grow both revenue and profitability with its accelerated move towards transactions and services along with recent strategic investments.

As 2012 gets off to a start, business seems to be holding up in all segments, and should continue to expand in emerging markets and North America. In Europe, Group has not observed any decrease in demand in Payment Terminals at this stage despite current economic environment and the outlook for Transaction Services for the first few months of the year confirms its growth forecast.

Ingenico should post a revenue growth greater than 8% on a comparable basis (on a like-for-like basis at constant exchange rates) and EBITDA margin growth of 18.3% or higher.

Thanks to its hedging policy, Ingenico does not anticipate that changes in the U.S. dollar/euro exchange rate will have a material impact on its accounts in 2012.

4.2.2 2013 OUTLOOK

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

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

The evolution of payment ecosystem is driving strong opportunities

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

Highlights of the 2010-2013 Strategic Plan

- 2013 revenue above €1 billion is based on growth in all segments with increasing direct access to merchants, coming from POS to transaction management and value added services.
- Revenue from transactions should triple in 2013 from €84 million in 2009 pro forma. This will be mainly driven by organic growth, the internationalization of the easycash business model outside Germany (2/3), and will be fuelled by focused acquisitions (1/3) which program is well advanced.
- EBITDA margin is expected to be above 18% of revenue in 2013 based on further optimizing of costs of the POS activity combined with operating leverage from transactions related revenues.

4.3 COMMENTS ON THE PARENT COMPANY FINANCIAL STATEMENTS

4.3.1 KEY FIGURES AND KEY DATA

As a preamble, the Company has three separate key roles:

- a holding role;
- a corporate role including the R&D and the manufacturing activities for the Group;
- a commercial role for France and the EEMEA region.

In 2011, the milestones were the issuance of the €250 million OCEANE convertible bond, the repayment of the €370 million syndicated loan due in 2014 and the contracting of a new syndicated loan of €360 million due in 2016, the acquisition of Xiring, the merger with Ingenico Data Systems SAS and the merger with Ingenico Transactions Services SAS.

The revenue figures for the year ended December 31, 2011 amounts to €398 million and comprises:

Geographical breakdown of the revenue	2011	2010
France	85.3	100.1
Asia	44.1	44.6
Europe, Central Europe	146.7	133.2
Americas	73.2	75.3
Middle East	34.9	37
Africa	13.6	14.1
Total	**397.8**	**404.3**

The financial result amounts to €2.5 million in 2011 compared to €-13.7 million in 2010 and comprises:

	2011	2010
Interest expense	(13.8)	(8)
Provisions/Reversals on equity and receivables	16.5	(20.8)
Dividends and interests from affiliates	12.7	14.3
Foreign exchange	(5.4)	1.9
Gains/losses on disposal of VMP	0.4	1.1
Losses on equity related receivables	(8.5)	(0.8)
Other	0.6	(1.4)
Total	**2.5**	**(13.7)**

The non-recurring income amounts to €-3.4 million, comprises:

	2011	2010
Gains on disposal of assets	(0.2)	(3.8)
Litigation and quality	-	0.1
Restructuration charges	-	(9)
Acquisition charges	-	(2.6)
Head office transferring expenses	(0.8)	-
Debt write-offs/better fortune	-	-
Other	(0.3)	0.4
Tax-accelerated depreciation	(2.1)	(1.9)
Total	**(3.4)**	**(16.8)**

Income tax amounts to €1.5 including a research tax credit of €2.3 million.

The overall amount of the fiscally nondeductible expenses amounts to €30,640 and corresponds to excess depreciation of the private passenger type vehicles.

Equity increases, reaching €578.2 million in 2011 while amounting to €573.7 million in 2010. Changes in equity amounts to €4.5 million and for €7.5 million, originates from the year income.

Otherwise, a dividend of €17.8 million (excluding Treasury shares) was paid during the first semester of 2011, including €5.2 million paid in cash and €12.6 million paid in Ingenico shares.

As a result, the parent company income is a €7,508,692.06 profit.

5

CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2011

I. CONSOLIDATED INCOME STATEMENTS

For the years ended December 31, 2009, 2010 and 2011

(in thousands of euros)	Notes	2009	2010	2011
Revenue	**7**	**700,684**	**907,020**	**1,001,115**
Cost of sales		(429,780)	(540,885)	(584,333)
Gross profit		**270,904**	**366,135**	**416,782**
Distribution and marketing costs		(55,133)	(85,236)	(97,342)
Research and development expenses		(75,639)	(84,247)	(76,598)
Administrative expenses		(79,298)	(99,761)	(114,379)
Profit from ordinary activities		**60,835**	**96,891**	**128,463**
Other operating income	9	736	10,366	951
Other operating expenses	9	(14,123)	(33,487)	(18,593)
Profit from operating activities		**47,448**	**73,770**	**110,821**
Finance income	10	37,224	59,738	57,732
Finance costs	10	(39,428)	(69,532)	(84,811)
Net finance costs		**(2,204)**	**(9,794)**	**(27,079)**
Share of profit of equity-accounted investees	14	(283)	(1,671)	(3,198)
Profit before income tax		**44,961**	**62,305**	**80,544**
Income tax expense	11	(18,121)	(22,716)	(22,551)
Profit for the period		**26,840**	**39,589**	**57,993**
Attributable to:				
• owners of Ingenico SA		26,840	39,575	56,489
• non-controlling interests		-	14	1,504
Earnings per share *(in euros)*	**23**			
Net earnings:				
• **basic earnings per share**		**0.58**	**0.81**	**1.11**
• **diluted earnings per share**		**0.56**	**0.80**	**1.09**

II. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2009, 2010 and 2011

(in thousands of euros)	Notes	2009	2010	2011
Profit for the period attributable to Ingenico SA shareholders		**26,840**	**39,575**	**56,489**
Translation differences		4,682	17,214	4,279
Remeasurement of derivative hedging instruments at fair value(1)		2,528	(705)	2,202
Remeasurement of available-for-sale financial assets at fair value	9			
Actuarial gains/(losses) on defined benefit plans(2)	26	(3,426)	1,706	(3,804)
Share of gains/(losses) of associates recognized directly in equity		2	-	-
Income tax on gains/(losses) recognized directly in equity(3)		33	(354)	907
TOTAL GAINS/(LOSSES) RECOGNIZED DIRECTLY IN EQUITY AND ATTRIBUTABLE TO INGENICO SA SHAREHOLDERS		**3,820**	**17,861**	**3,584**
Total comprehensive income attributable to Ingenico SA shareholders		30,660	57,437	60,073
Total comprehensive income attributable to non-controlling interests			-	1,504
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**30,660**	**57,437**	**61,577**

2011:

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

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

(3) Breakdown of income tax recognized in equity:

- *Taxes on translation differences: €686,000*
- *Taxes on gains or losses on hedging instruments: €-758,000*
- *Taxes on actuarial gains or losses on defined benefits plans: €980,000*

2010:

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

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

(3) Breakdown of income tax recognized in equity:

- *Taxes on translation differences: €-111,000*
- *Taxes on gains or losses on hedging instruments: €243,000*
- *Taxes on actuarial gains or losses on defined benefits plans: €-486,000*

2009:

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

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

(3) Breakdown of income tax recognized in equity:

- *Taxes on translation differences: €-90,000*
- *Taxes on gains or losses on hedging instruments: €-870,000*
- *Taxes on actuarial gains or losses on defined benefits plans: €993,000*

III. CONSOLIDATED BALANCE SHEETS

For the years ended December 31, 2009, 2010 and 2011

ASSETS

(in thousands of euros)	Notes	2009	2010	2011
Non-current assets				
Goodwill	12	414,228	466,260	529,022
Other intangible assets	12	166,549	156,810	151,952
Property, plant and equipment	13	33,075	31,275	34,224
Investments in equity-accounted investees	14	6,787	21,116	18,265
Financial assets	15	3,567	4,561	4,667
Deferred tax assets	11	23,341	22,883	23,502
Other non-current assets	16	14,730	20,460	20,353
TOTAL NON-CURRENT ASSETS		**662,277**	**723,365**	**781,985**
Current assets				
Inventories	17	74,230	105,497	94,899
Trade and related receivables	18	225,327	254,123	335,329
Other current assets	20	5,825	7,440	11,209
Current tax assets	20	9,456	10,582	9,359
Derivative financial instruments	25	3,433	3,461	6,861
Cash and cash equivalents	24	91,205	158,937	347,602
Assets classified as held for sale	21	-	-	-
TOTAL CURRENT ASSETS		**409,475**	**540,040**	**805,259**
TOTAL ASSETS		**1,071,752**	**1,263,405**	**1,587,244**

EQUITY AND LIABILITIES

(in thousands of euros)		2009	2010	2011
Share capital		48,638	51,512	51,980
Share premium account		380,320	382,517	394,796
Retained earnings and other reserves		67,677	97,250	158,160
Translation reserve		(3,547)	14,288	18,551
Equity attributable to Ingenico SA shareholders	22	**493,088**	**545,567**	**623,487**
Non-controlling interests		**-**	**-**	**7,096**
TOTAL EQUITY		**493,088**	**545,567**	**630,583**
Non-current liabilities				
Long-term loans and borrowings	24	215,370	228,775	427,563
Provisions for retirement benefit obligations	26	10,415	8,650	12,785
Other provisions	27	13,013	20,109	22,276
Deferred tax liabilities	11	43,289	39,123	43,696
Other non-current liabilities	28	10,385	15,531	11,869
TOTAL NON-CURRENT LIABILITIES		**292,472**	**312,188**	**518,189**
Current liabilities				
Short-term loans and borrowings	24	20,275	39,228	29,691
Other provisions	27	12,068	14,030	11,184
Trade and related payables	29	188,162	267,730	297,332
Other current liabilities	31	47,758	73,813	79,855
Current tax liabilities	30	17,124	8,633	16,640
Derivative financial instruments	25	806	2,216	3,770
Liabilities classified as held for sale	21	-	-	-
TOTAL CURRENT LIABILITIES		**286,193**	**405,650**	**438,472**
TOTAL LIABILITIES		**578,665**	**717,838**	**956,661**
TOTAL EQUITY AND LIABILITIES		**1,071,752**	**1,263,405**	**1,587,244**

IV. CONSOLIDATED CASH FLOW STATEMENTS

For the years ended December 31, 2009, 2010 and 2011

(In thousands of euros)	2009	2010	2011
Cash flows from operating activities			
Profit for the year	26,840	39,589	57,993
Adjustments for:			
• Share of profits of equity-accounted investees	283	1,671	3,198
• Income tax expense/(income)	18,121	22,715	22,551
• Depreciation, amortization and provisions	41,104	84,769	51,318
• Change in fair value	(3,076)	2,787	152
• Gains/(losses) on disposal of assets	1,106	(8,490)	980
• Net interest costs	322	9,241	21,545
Share-based payment expense	6,663	5,611	4,291
Interest paid	(3,836)	(12,106)	(12,248)
Income tax paid	(12,733)	(38,763)	(25,665)
Cash flows from operating activities before change in net working capital	**74,794**	**107,024**	**124,115**
Change in working capital			
inventories	2,578	(22,902)	15,795
trade and other receivables	(15,808)	(13,338)	(72,249)
trade and other payables	11,437	52,410	26,485
Change in net working capital	**(1,794)**	**16,170**	**(29,969)**
NET CASH FROM OPERATING ACTIVITIES	**73,000**	**123,194**	**94,146**
Cash flows from investing activities			
Acquisition of non-current assets	(23,161)	(24,085)	(34,745)
Proceeds from sale of non-current assets	131	879	373
Acquisition of subsidiaries, net of cash acquired	(165,778)	(57,993)	(80,509)
Disposal of subsidiaries, net of cash disposed of	27,752	2,653	-
Short-term investments	4,716	(524)	534
Loans and advances granted	(778)	(665)	(742)
Loan repayments received	2,582	650	739
Interest received	3,834	3,245	7,069
NET CASH FLOW FROM (USED IN) INVESTING ACTIVITIES	**(150,702)**	**(75,840)**	**(107,281)**
Cash flows from financing activities			
Proceeds from share capital issues	2,133	4,895	400
Purchase/(sale) of own shares	2,088	(5,859)	(6,857)
Proceeds from loans and borrowings	210,741	34,257	462,508
Repayment of loans and borrowings	(190,995)	(5,934)	(258,719)
Changes in other financial liabilities	(3,648)	-	-
Changes in the fair value of hedging instruments	(1,566)	-	(273)
Dividends paid	(4,310)	(9,404)	(5,259)
NET CASH FLOW USED IN FINANCING ACTIVITIES	**14,442**	**17,955**	**191,800**
Effect of exchange rates fluctuations	(508)	3,819	3,709
Financial asset reclassified to cash equivalents	1,083	-	-
Change in cash and cash equivalents	**(62,684)**	**69,128**	**182,374**
Cash and cash equivalents at beginning of the year	139,112	76,430	145,557
Cash and cash equivalents at year end[(1)]	76,430	145,557	327,931

Comments:	2009	2010	2011
(1) Cash and cash equivalents			
UCITS (only portion classified as cash)	*24,635*	*22,712*	*86,724*
Cash on hand	*66,570*	*136,225*	*260,878*
Bank overdrafts (included in short-term borrowings)	*(14,775)*	*(13,380)*	*(19,671)*
Total cash and cash equivalents	***76,430***	***145,557***	***327,931***
UCITS (portion classified as other investments) designated as at fair value through profit or loss	-	-	-
Available-for-sale assets	-	-	-
Total cash, cash equivalents and short-term investments	***76,430***	***145,557***	***327,931***

V. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2009, 2010 and 2011

(in thousands of euros)	Share capital	Issue and contribution premiums	Translation reserve	Effective portion of hedging instruments	Treasury shares	Retained earnings and other reserves	Total equity attributable to Ingenico SA shareholders	Minority interests	Total equity
Balance at january 1, 2009	**47,793**	**371,538**	**(8,230)**	**(976)**	**(27,297)**	**72,273**	**455,101**	**-**	**455,101**
Dividends paid to shareholders(1)						(4,310)	(4,310)		(4,310)
Stock dividends paid to shareholders(2)	597	6,654				(7,251)	-		-
Treasury shares(3)					2,141	(37)	2,104		2,104
Share-based payments and exercise of stock options(4)	248	2,408				6,877	9,533		9,533
Total gains/(losses) recognized for the period			4,683	1,657		24,320	30,660		30,660
Other		(280)				280	-		-
Balance at december 31, 2009	**48,638**	**380,320**	**(3,547)**	**681**	**(25,156)**	**92,152**	**493,088**	**-**	**493,088**
Dividends paid to shareholders(1)						(9,404)	(9,404)		(9,404)
Stock dividends paid to shareholders(2)	290	4,601				(4,891)	-		-
Treasury shares(3)					6,203	(12,425)	(6,222)		(6,222)
Share-based payments and exercise of stock options(4)	217	1,858				6,179	8,254		8,254
Reduction of capital(5)	(250)	(4,059)			4,309		-		-
Increase in capital reserved to employees(5)	172	2,241					2,414		2,414
Increase in capital–free shares(5)	2,445	(2,445)					-		-
Total gains/(losses) recognized for the period			17,214	(462)		40,685	57,437		57,437
Other			623			(623)	-		-
Balance at december 31, 2010	**51,512**	**382,516**	**14,290**	**219**	**(14,644)**	**111,672**	**545,567**	**-**	**545,567**
Dividends paid to shareholders(1)						(5,260)	(5,260)		(5,260)
Stock dividends paid to shareholders(2)	439	12,065				(12,504)	-		-
Treasury shares(3)					(3,038)	(2,504)	(5,542)		(5,542)
Share-based payments and exercise of stock options(4)	29	213				3,117	3,359	42	3,401
Equity component of OCEANE, net amount(5)						24,256	24,256		24,256
Acquisition of additional interest in Landi(6)						1,788	1,788		1,788
Acquisition of Xiring(7)							-	5,550	5,550
Discounting effect of put option Landi(8)						(754)	(754)		(754)
Total gains/(losses) recognized for the period			4,279	1,444		54,350	60,073	1,504	61,577
Other							-		-
Balance at december 31, 2011	**51,980**	**394,794**	**18,569**	**1,663**	**(17,682)**	**174,161**	**623,487**	**7,096**	**630,583**

2011

(1) Cash dividend paid on May 30, 2011.

(2) Stock dividend through capitalization of reserves and issuance of 439.205 new shares.

(3) At January 1, 2011, the Company held 875.443 treasury shares. At December 31, 2011, the Company held 868.484 treasury shares bought back by virtue of authorizations granted at shareholders' meetings.

(4) Share-based payments:

- *the increase in retained earnings and other reserves reflects fair value adjustments to free share awards recognized each year in administrative expenses, as part of profit from operations, after deduction of €10,000 in deferred tax assets;*
- *the increase in share capital and issue and contribution premiums reflects the exercise of stock options.*

(5) Represents the equity component of the convertible bond, i.e. €36,993,000, after deduction of €12,737,000 in deferred taxes.

(6) On September 22, 2011, Ingenico Holding Asia (formerly Autogain Hong Kong) acquired an additional 10% stake in Landi. The net effect of the subsequent renegotiation of the Landi put option was to increase equity by €1.8 million.

(7) Pertains to the 8.19% of "non-controlling interests" at the time of the Xiring acquisition on December 5, 2011.

(8) On September 22, 2011, the put option on Landi shares was renegotiated to apply to the remaining 22% held by minority shareholders.

The unwinding of the discount on this put was recognized as a €0.8 million financial expense for the year.

2010

(1) Cash dividend paid on June 15, 2010.

(2) Stock dividend through capitalization of reserves and issuance of 290.272 new shares.

(3) At January 1, 2010, the Company held 1.361.958 treasury shares. At December 31, 2010, the Company held 875.443 treasury shares bought back by virtue of authorizations granted at shareholders' meetings.

(4) Share-based payments:

- *the increase in retained earnings and other reserves reflects fair value adjustments to stock options and free share awards recognized each year in administrative expenses as part of profit from operations;*
- *the increase in share capital and issue and contribution premiums reflects the exercise of stock options.*

(5) Refer to Note 22, Total equity.

2009

(1) Cash dividend paid on June 17, 2009. Cash and stock dividends paid on the basis of €0.25 per share.

(2) Stock dividend through capitalization of reserves and issuance of 597,274 new shares.

(3) At January 1, 2009, the Company held 1,624,290 treasury shares. At December 31, 2009, the Company held 1,361,958 treasury shares bought back by virtue of authorizations granted at shareholders' meetings.

(4) Share-based payments:

- *the increase in retained earnings and other reserves reflects fair value adjustments to stock options and free share awards recognized each year in administrative expenses as part of profit from operations, including €211,000 in deferred tax assets;*
- *the increase in share capital and issue and contribution premiums reflects the exercise of stock options.*

VI. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DETAILED TABLE OF CONTENTS OF THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 THE GROUP

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

The consolidated financial statements were authorized for by the Board of Directors on February 23, 2012. They will be submitted for approval by the shareholders at their Annual Shareholders' Meeting of May 3, 2011.

NOTE 2 ACCOUNTING PRINCIPLES AND METHODS

In compliance with Regulation (EC) No. 1606/2002 of July 19, 2002 as amended by Regulation (EC) No. 297/2008 of March 11, 2008, the consolidated financial statements for the year ended December 31, 2011 were drawn up in accordance with IFRS (International Financial Reporting Standards), as adopted by the European Union at December 31, 2011. These standards are available on the European Commission's website: http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.

The new standards, amendments and interpretations in effect at January 1, 2011 and which concern the Group are as follows:

- revised IAS 24, *Related Party Disclosures*;
- the amendments to IFRIC 14, *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction*;
- the amendment to IFRS 1, *Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters*;
- the amendment to IAS 32, *Classification of Rights Issues*;
- the amendments to the following standards included within the Annual Improvements to IFRSs issued in May 2010:
  - IAS 1: "Presentation of Financial Statements"
  - IAS 27: "Consolidated and Separate Financial Statements"
  - IAS 34: "Interim Financial Reporting"
  - IFRS 3: "Business combinations"
  - IFRS 7: "Financial Instruments: Disclosures"
  - IFRIC 13: "Customer Loyalty Programs"
- IFRIC 19: "Extinguishing Financial Liabilities with Equity Instruments".

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

In preparing these consolidated financial statements, the Group did not apply in advance the amendments to IFRS 7, *Disclosures – Transfers of Financial Assets*, issued by the IASB (International Accounting Standards Board) and adopted by the European Union at December 31, 2011, which are not yet mandatory.

Nor did the Group apply in advance the amendments to IAS 1, *Presentation of Financial Statements*, issued by the IASB but not yet adopted by the European Union at December 31, 2011.

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

Basis of preparation

The financial statements are presented in euros, the Group's presentation currency. Unless otherwise indicated, all amounts are rounded to the nearest thousand.

The financial statements were prepared on a historical cost basis, except for the following assets and liabilities, stated at fair value: derivative financial instruments, cash and cash equivalents, bank overdrafts, remeasurement to fair value of assets and liabilities of entities when the Group takes control.

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

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

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

These accounting methods were uniformly applied by all Group entities.

Principles of consolidation

Subsidiaries

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

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

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

Associates

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

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

Jointly controlled operations

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

Transactions eliminated in the consolidated financial statements

Intragroup balances, income and expenses arising from intragroup transactions are eliminated in full in the consolidated financial statements.

Transactions in foreign currency

Revenues and expenses denominated in foreign currency are translated at the euro equivalent on the date of transaction.

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

Translation of financial statements

The consolidated financial statements are presented in euros.

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

The translation rates for the main currencies used by the Group in 2009, 2010 and 2011 are as follows:

Closing rate	2009	2010	2011
U.S. Dollar	1.4406	1.3362	1.2939
Canadian Dollar	1.5128	1.3322	1.3215
Australian Dollar	1.6008	1.3136	1.2723
British Pound	0.8881	0.8608	0.8353
Brazilian Real	2.5113	2.2177	2.4159
Chinese Yuan	9.8350	8.8220	8.1588

Average rate	2009	2010	2011
U.S. Dollar	1.3933	1.3268	1.3917
Canadian Dollar	1.5852	1.3665	1.3756
Australian Dollar	1.7749	1.4442	1.3482
British Pound	0.8910	0.8582	0.8678
Brazilian Real	2.7706	2.3344	2.3259
Chinese Yuan	9.5174	8.9805	8.9961

Hedging

Cash flow hedges

When a derivative financial instrument is designated as a hedging instrument whose cash flows are expected to offset changes in the cash flows of a highly probable forecast transaction, the Group uses hedge accounting. The effective portion of any gain or loss on the derivative financial instrument is recognized directly in other comprehensive income until the hedged item itself is recognized in profit or loss. The effective portion is then recognized in profit or loss. The ineffective portion of any gain or loss is recognized in profit or loss for the period.

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

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

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

- interest rate differentials between the hedging instrument's reference currency and the euro over the hedge period (in forward points);
- differentials between the notional amount of the hedging instrument and the notional or principal amount of the hedged item;
- differentials between residual maturities or dates on which interest rates are reset for the hedging instrument and the hedged item.

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

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or liability, or if a forecast transaction involving a non-financial asset or liability becomes a firm commitment measured at fair value, the associated cumulative gain or loss recognized in equity is removed and included in the initial cost or any other carrying amount of the non-financial asset or liability. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or liability, the associated gains or losses that were recognized directly in other comprehensive income are reclassified to profit or loss for the same period or periods during which the asset or liability affects profit or loss.

When the hedging instrument expires or is sold, terminated or exercised, or when the Group revokes the designation as a hedging relationship, but still expects the forecast transaction to occur, the cumulative gain or loss at that date remains in equity and is recognized when the transaction occurs, using the method previously described. When the Group no longer expects the hedged transaction to occur, the unrealized cumulative gain or loss that was recognized in equity is immediately recognized in profit or loss.

Hedge of monetary items

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

Derivative financial instruments

The Group uses derivative financial instruments to hedge its foreign exchange and interest rate exposure arising from its operating, financing and investing activities. Those instruments are initially measured at fair value, i.e. the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Except for in the hedging relationships described above, any gain or loss from remeasuring the instruments at fair value are recognized in profit or loss as financial income or expenses at the reporting date.

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

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

Property, plant and equipment

Assets owned by the Group

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

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

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

Finance leases

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

In the course of business, the Group may supply payment terminals to its customers under agreements classified as finance leases (with Ingenico as lessor). Those terminals may be refinanced by the Group under finance leases (with Ingenico as lessee). At the commencement of such leases, the purchase and the sale of the terminals are recorded at the present value of the estimated future lease payments and receipts, and financial asset and liability are recognized. Financial income and expenses are recognized over the lease term.

Leases for certain terminals may also include the provision of equipment maintenance and/or payment transaction management services. In such cases, revenue recognition is separated into an equipment component, with revenue recognized upon equipment delivery, and a service component, with recurring revenues recognized on a straight-line basis over the lease term.

Depreciation

Depreciation is computed using the straight-line method over the estimated useful life of each type of item.

Land is not depreciated. The estimated useful lives are as follows:

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

Intangible assets

Goodwill

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

As of January 1, 2011, put options over non-controlling interests in Group subsidiaries are initially recognized as a financial liability for the present value of the exercise price, with a corresponding entry in Equity attributable to Ingenico SA shareholders. The unwinding of the discount to that liability and the effect of any changes in estimates are recognized in Equity attributable to Ingenico SA shareholders. The share of subsequent profit or loss attributable to minority shareholders is recognized in Equity attributable to non-controlling interests, as is the share of dividends payable to minority shareholders.

Put options written in connection with business combinations completed prior to January 1, 2011 were initially recognized as a liability, with a corresponding adjustment to goodwill. The unwinding of the discount to that liability is recognized as a financial expense, while the effect of any changes in estimates is recognized in goodwill.

Business combinations are now recognized as follows:

- identifiable assets and liabilities acquired are measured at fair value at the date of acquisition, i.e. the date on which control is transferred to the Group;
- a non-controlling interest in an acquiree is measured either at fair value or at the Group’s proportionate share of the acquiree’s identifiable net assets. This accounting policy choice may be made on a transaction by transaction basis for any business combination.

Transaction costs are recognized in Other operating expenses as incurred.

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

At the acquisition date, goodwill corresponds to the difference between:

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

Recognition of non-controlling interests:

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

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

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

When IFRS 3R came into effect, no adjustments were made to the assets acquired and liabilities assumed in business combinations completed before the effective date for the revised standard.

Research and development

Research costs are expensed as incurred.

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

- that the product or process is technically feasible, that it intends to complete it and that it is able to put it into service or to sell it;
- that sufficient technical, financial or other resources are available to complete the development and to put it into service or to sell it;
- that it is able to reliably measure the development costs of the asset; and
- that the asset will generate probable future economic benefits (through the existence of a market or a use within the Group).

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

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

Other intangible assets

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

Subsequent expenditure

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

Amortization

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

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

The estimated useful lives are as follows:

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

Trade receivables

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

Inventories

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

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

Other investments

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

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

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits, together with short-term, highly liquid investments that are easily convertible to a known amount of cash, that are subject to an insignificant risk of changes in value, and which maturity is close. It also includes UCITS that meet the criteria of IAS 7.

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

Impairment of assets

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

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

An impairment loss is recognized whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss, in other operating expenses.

An impairment loss recognized in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then to reduce the carrying amount of the unit's other assets on a pro-rata basis, based on the carrying amount of each asset in the unit.

Calculation of the recoverable amount

Financial assets

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

Non-financial assets

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

Impairment losses

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

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

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

Share capital

Treasury shares

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

Dividends

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

Net debt

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

Compound financial instruments

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

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

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

A debt instrument or financial liability represents a contractual obligation:

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

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

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

Interest-bearing borrowings

Interest-bearing borrowings are recognized initially at fair value less any attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost, using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument. The calculation includes all fees and points paid or received between parties to the contract, transaction costs and all other premiums or discounts.

Amortized cost is the amount at which the financial liability is initially measured (minus transaction costs), plus the interest expense calculated using the effective interest method, minus cash outflows (coupon payments, principal repayments and any debt premiums). Accrued interest (payable or receivable) is not recognized at the coupon rate, but using the effective interest rate for the instrument.

Employee benefits

Defined contribution plans

Payments to defined contribution plans are expensed as incurred.

Defined benefit plans

The Group’s net obligation in respect of defined benefit plans is measured separately for each plan; it is determined by the difference between the discounted present value of the obligation and the fair value of any plan assets.

The amount of the Group’s obligation is determined by calculating the amount of future benefits due to employees at retirement and performing an actuarial valuation of the projected future salary levels and the number of years of service of active employees estimated to be part of the plan at the time of retirement. The ratio of years of service at the valuation date to years of service at the time of retirement is calculated to determine the Group’s obligation at the valuation date.

The discount rate applied is the yield at the reporting date on government bonds with terms consistent with those of the Group’s obligations. Calculations are performed by independent actuaries using the projected unit credit method.

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

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

Long-term benefits

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

Share-based payments

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

Provisions

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

Litigation and claims

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

Restructuring

A provision for restructuring is recognized when the Group has approved a formal and detailed restructuring plan and has:

- either commenced the restructuring;
- or has announced the plan publicly.

Provisions are not recognized for future operating costs.

Warranties

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

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

Onerous contracts

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

Trade and related payables

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

Revenue

Sale of goods and services

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

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

Construction contracts

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

Interest income

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

Expenses

Operating lease payments

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

Finance lease payments

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

Other operating income and expenses

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

Net finance costs

Net finance costs include interest payable on borrowings calculated using the effective interest method (see above, Interest-bearing borrowings), interest receivable on funds invested, and other dividend income.

Interest income is recognized in the income statement as it accrues, using the effective interest method.

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

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

Other financial income and expenses

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

Income tax

Income tax expense (credit) includes current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to a business combination or to items recognized directly in equity, in which case it is also recognized in equity.

Current tax is (i) the expected tax payable on taxable income for the period, using tax rates enacted or substantively enacted at the reporting date; (ii) any adjustment to the amount of current tax payable in respect of previous periods and (iii) all other taxes calculated on a net amount of revenue and expenses.

Deferred tax is determined using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. No deferred tax is recognized for the following: (i) initial recognition of goodwill, (ii) temporary differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future and (iii) the initial recognition of an asset or liability in a transaction which is not a business combination, which affects neither the accounting nor the taxable result. The measurement of deferred tax assets and liabilities depends on the manner in which the Group expects to recover or settle the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

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

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

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

New tax regulations effective from January 1, 2010 in France

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

This change has led the Group to reexamine the accounting treatment of taxes in France in respect of IFRS, in particular IAS 12, Income Taxes. The Group has decided to classify the CVAE component as income tax for the following reasons:

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

Segment reporting

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

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

Revenue earned and costs incurred in the course of operations by the reportable segments are allocated to the relevant segment. These revenue and cost are directly attributed to the relevant segment.

Non-current assets held for sale and discontinued operations

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

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

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

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

Earnings per share

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

NOTE 3 DEFINITION OF FINANCIAL ASSET AND LIABILITY BY CATEGORIES

	2011							
Asset and liability categories *(in thousands of euros)*	**Assets & liabilities measured at fair value through profit or loss (FV option)**	**Assets & liabilities measured at fair value recognized in Held-to maturity investments**	**Available for sale assets**	**Loans and receivables**	**Liabilities at amortized cost**	**Derivative instruments designated as hedging future cash flows**	**Total net carrying amount**	**Fair value of the asset or liability category**
Financial assets	-	-	780	3,910	-	-	4,690	4,690
Trade and other current receivables	-	-	-	314,567	-	-	314,567	314,567
Derivative financial instruments	958	-	-	-	-	5,903	6,861	6,861
Other non-current assets	-	-	-	18,079	-	-	18,079	18,079
Cash and cash equivalents	86,701	-	-	260,901	-	-	347,602	347,602
TOTAL FINANCIAL ASSETS	**87,659**	**-**	**780**	**597,457**	**-**	**5,903**	**691,799**	**691,799**
Bond loan (OCEANE)	-	-	-	-	213,637	-	213,637	213,637
Long-term loans	-	-	-	-	213,926	-	213,926	213,926
Other non-current liabilities	-	-	-	-	9,415	-	9,415	9,415
Short-term borrowings	-	-	-	-	29,691	-	29,691	29,691
Trade payables and other current liabilities	-	-	-	-	307,050	-	307,050	307,050
Derivative financial instruments	881	-	-	-	-	2,889	3,770	3,770
TOTAL FINANCIAL LIABILITIES	**881**	-	-	-	773,719	2,889	777,489	777,489

	2010							
Asset and liability categories *(in thousands of euros)*	**Assets & liabilities measured at fair value through profit or loss (FV option)**	**Assets & liabilities measured at fair value recognized in Held-to maturity investments**	**Available for sale assets**	**Loans and receivables**	**Liabilities at amortized cost**	**Derivative instruments designated as hedging future cash flows**	**Total net carrying amount**	**Fair value of the asset or liability category**
Financial assets	-	-	776	3,807	-	-	4,583	4,583
Trade and other current receivables	-	-	-	238,092	-	-	238,092	238,092
Derivative financial instruments	763	-	-	-	-	2,698	3,461	3,461
Other non-current assets	-	-	-	17,895	-	-	17,895	17,895
Cash and cash equivalents	22,712	-	-	136,225	-	-	158,937	158,937
TOTAL FINANCIAL ASSETS	**23,474**	**-**	**776**	**396,019**	**-**	**2,698**	**422,968**	**422,968**
Long-term loans	-	-	-	-	228,775	-	228,775	228,775
Other non-current liabilities	-	-	-	-	9,235	-	9,235	9,235
Short-term borrowings	-	-	-	-	39,228	-	39,228	39,228
Trade payables and other current liabilities	-	-	-	-	281,668	-	281,668	281,668
Derivative financial instruments	387	-	-	-	-	1,829	2,216	2,216
TOTAL FINANCIAL LIABILITIES	**387**	**-**	**-**	**-**	**558,906**	**1,829**	**561,122**	**561,122**

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

Fair value hierarchy

The objective criteria used for analyzing financial instruments by valuation method are based on the definition of fair value levels under IFRS 7.

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

- assets and liabilities measured at fair value through profit or loss;
- available-for-sale assets;
- qualifying cash flow hedges.

The fair value hierarchy is as follows:

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

Financial instruments of this class of assets and liabilities can correspond to any of the three levels of fair value set out below for 2009, 2010 and 2011.

There were no financial instruments in Level 3. The company did not make any transfers between the levels in 2009, 2010 or 2011.

	2011		
(In thousands of euros)	Total	Level 1	Level 2
Financial assets at fair value, including:			
Assets classified as held for sale	780	-	780
Derivative financial instruments(1)	6,861	-	6,861
Cash and cash equivalents	86,701	86,701	-
TOTAL ASSETS	**94,342**	**86,701**	**7,641**
Financial liabilities at fair value, including:			
Derivative financial instruments(1)	3,770	-	3,770
TOTAL LIABILITIES	**3,770**	**-**	**3,770**

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

	2010		
(in thousands of euros)	Total	Level 1	Level 2
Financial assets at fair value, including:			
Assets classified as held for sale	776	-	776
Derivative financial instruments(1)	3,461	-	3,461
Cash and cash equivalents	22,712	22,712	-
TOTAL ASSETS	**26,949**	**22,712**	**4,237**
Financial liabilities at fair value, including:			
Derivative financial instruments(1)	2,216	-	2,216
TOTAL LIABILITIES	**2,216**	**-**	**2,216**

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

	2009		
(in thousands of euros)	Total	Level 1	Level 2
Financial assets at fair value, including:			
Assets classified as held for sale	306	-	306
Derivative financial instruments(1)	3,433	-	3,433
Cash and cash equivalents	24,635	24,635	-
TOTAL ASSETS	**28,374**	**24,635**	**3,739**
Financial liabilities at fair value, including:			
Derivative financial instruments(1)	806	-	806
TOTAL LIABILITIES	**806**	**-**	**806**

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

NOTE 4 FINANCIAL RISK MANAGEMENT

4.1 Liquidity and counterparty risks

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

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

Financial assets at December 31, 2011

At December 31, 2011, the Group's principal financial assets were the following:

- cash and cash equivalents totaling €347.6 million;
- trade receivables totaling €296.2 million, related to the Group's normal operating cycle.

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

The carrying amount of the Group's financial assets at the end of the period represents the Group's maximum exposure to credit risk. The Group's maximum exposure at December 31, 2011 was as follows:

(in thousands of euros)	2009	2010	2011
Cash and cash equivalents	91,205	158,937	347,602
Financial assets	3,591	4,583	4,690
Trade receivables	188,928	227,008	296,216
Finance lease receivables	25,654	25,828	29,893
Other operating receivables	5,217	2,823	5,970
Other current assets	218	179	316
Other non-current assets	175	147	251
Hedging derivative financial instruments (assets)	3,433	3,461	6,861
TOTAL	**318,421**	**422,968**	**691,799**

With respect to counterparty risk from trade receivables, a provision for a doubtful debt may be recognized in full or in part reflecting the probability of collection. Credit risk is monitored at Group level by Group Credit Management. The Group tracks customer credit at its subsidiaries on a monthly basis and provides in for any receivables it considers fully or partially uncollectible.

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

Further information on trade receivables and provisions can be found in Note 18, Trade and related receivables.

Financial liabilities at December 31, 2011

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

Cash flows of the parent company come from two principal sources:

1. Operating cash flows:

- the parent company places orders with external manufacturers and then resells the terminals to its subsidiaries at predetermined transfer prices;
- the parent company sells services and terminals directly to its customers.

2. Financial cash flows:

- the Group has implemented cash pooling operations in the form of loans between the parent and its subsidiaries. This results in an inflow of cash towards Ingenico SA;
- Ingenico SA receives dividends, depending on the ability of its subsidiaries to distribute a portion of their earnings.

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

- reduce or delay new investments;
- dispose of assets;
- issue debt securities or new shares;
- restructure or refinance all or part of its debt.

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

It should be noted that the Group:

- is able to generate significant cash flows for its investing requirements (see IV. Consolidated cash flow statements);
- has a revolving credit facility of €150 million and bilateral lines of credit totaling €28.5 million, none of which is currently utilized;
- has a net debt at December 31, 2011 amounted to €109.7 million, and its debt ratios are not high, leaving its borrowing capacity intact.

The maturities of the Group's financial liabilities at December 31, 2011 were as follows:

	2011					
(in thousands of euros)	Carrying amount	Contractual cash flow	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
Non-derivative financial liabilities						
Bond loans	213,637	289,950	5,575	6,875	20,625	256,875
Bank borrowings	207,790	227,751	5,656	57,424	164,671	-
Finance lease obligations	9,584	9,584	3,576	2,281	3,727	-
Bank overdrafts	19,670	19,670	19,670	-	-	-
Other financial liabilities	6,573	6,573	6,455	-	118	-
TOTAL	**457,254**	**458,242**	**35,270**	**57,280**	**365,692**	**-**
Derivative financial liabilities						
Exchange rate instruments	1,698	1,698	1,698	-	-	-
Interest rate instruments	2,072	2,072	2,072	-	-	-
TOTAL	**3,770**	**3,770**	**3,770**	**-**	**-**	**-**

	2010					
(in thousands of euros)	Carrying amount	Contractual cash flow	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
Non-derivative financial liabilities						
Bank borrowings	240,296	245,464	22,377	41,828	181,259	-
Finance lease obligations	13,482	13,482	4,558	4,036	4,887	-
Bank overdrafts	13,380	13,380	13,380	-	-	-
Other financial liabilities	845	845	697	21	127	-
TOTAL	**268,003**	**273,170**	**41,012**	**45,885**	**186,273**	**-**
Derivative financial liabilities						
Exchange rate instruments	2,216	2,216	2,216	-	-	-
Interest rate instruments	-	-	-	-	-	-
TOTAL	**2,216**	**2,216**	**2,216**	**-**	**-**	**-**

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

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

At December 31, 2011, the Group's financial liabilities comprised the following:

- a €360 million variable-rate syndicated loan facility put in place on August 5, 2011 to replace the former facility contracted in 2009 to finance the easycash acquisition. The facility is now structured as follows:
  - a first tranche of €210 million maturing on August 5, 2016, which was fully drawn down on August 10, 2011. This loan is repayable in installments beginning March 31, 2013: €26.3 million every six months until September 30, 2013, then €52.5 million per year until August 5, 2016,
  - a second tranche represented by a €150 million revolving credit facility redeemable at maturity, which had not been drawn down at December 31, 2011.
- €19.7 million in short-term bank overdrafts. The Group has also unutilized overdraft facilities totaling €28.5 million at the year-end;
- €16.2 million in finance lease obligations and other liabilities principally related to the Group's sales contracts and the financing of terminals leased to customers;
- an issue of bonds with an option of conversion and/or exchange in new or existing Ingenico shares (OCEANE), with the dividend date of March 11, 2011 and due date of January 1, 2017. The nominal amount of the loan amounts to €250 million and it is represented by 6,677,350 bonds at a nominal unit value of €37.44. The bonds have an annual nominal interest value of 2.75%. The interest rate, after deduction of debt issuance costs and re-classification of the share capital component of the loan is 6.22%.

The syndicated loan contracted in 2011 includes covenants relating to the respect of certain financial ratios which are subject to review every six months on the basis of pro forma consolidated financial statements:

- the net debt to equity ratio must be less than 80%;
- net debt must be less than 2.5 times EBITDA.

There are also a number of standard legal covenants.

The ratios were respected at December 31, 2011.

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

4.2 Market risk

Foreign exchange risk

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

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

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

	2011				
(in thousands of foreign currencies)	**US Dollar**	**British pound**	**Yen**	**Canadian dollar**	**Australian dollar**
Trade receivables	98,957	21,457	-	29,000	19,607
Trade payables	(111,047)	(12,928)	(1,045)	(17,298)	(10,019)
Gross balance sheet exposure	**(12,090)**	**8,529**	**(1,045)**	**11,702**	**9,588**
Estimated forecast sales	132,882	39,922	-	13,508	32,818
Estimated forecast purchases	(252,074)	-	-	-	-
Gross exposure	**(131,282)**	**48,451**	**(1,045)**	**25,210**	**42,406**
Foreign exchange derivative instruments					
Forward purchases	89,131	-	-	500	1,000
Forward sales	(14,700)	(20,585)	-	(18,500)	(19,550)
Options	-	-	-	-	-
Net exposure	**(56,851)**	**27,866**	**(1,045)**	**7,210**	**23,856**

	2010				
(in thousands of foreign currencies)	US Dollar	British pound	Yen	Canadian dollar	Australian dollar
Trade receivables	68,018	16,523	-	14,982	15,388
Trade payables	(100,452)	(9,847)	-	(10,283)	(15,004)
Gross balance sheet exposure	**(32,434)**	**6,676**	**-**	**4,699**	**384**
Estimated forecast sales	93,345	28,165	-	22,404	29,731
Estimated forecast purchases	(211,330)	-	-	-	-
Gross exposure	**(150,418)**	**34,841**	**-**	**27,103**	**30,115**
Foreign exchange derivative instruments					
Forward purchases	95,500	-	-	-	-
Forward sales	-	(8,800)	-	(3,900)	(17,100)
Options	23,500	(9,000)	-	(6,500)	-
Net exposure	**(31,418)**	**17,041**	**-**	**16,703**	**13,015**

	2009				
(in thousands of foreign currencies)	US Dollar	British pound	Yen	Canadian dollar	Australian dollar
Trade receivables	72,952	17,256	8,655	13,539	9,685
Trade payables	(98,280)	(10,407)	-	(13,818)	(6,478)
Gross balance sheet exposure	**(25,327)**	**6,849**	**8,655**	**(279)**	**3,207**
Estimated forecast sales	77,964	25,635	-	22,844	26,600
Estimated forecast purchases	(213,000)	-	-	-	-
Gross exposure	**(160,363)**	**32,484**	**8,655**	**22,565**	**29,807**
Foreign exchange derivative instruments					
Forward purchases	90,000	-	-	-	-
Forward sales	-	(14,250)	-	(12,750)	(20,600)
Options	30,000	(5,850)	-	(5,150)	-
Net exposure	**(40,363)**	**12,384**	**8,655**	**4,665**	**9,207**

Sensitivity to foreign exchange risk

	2011			
	Impact on income statement	Impact on equity	Impact on income statementt	Impact on equity
(in thousands of euros)	10% appreciation of the euro		10% appreciation of foreign currency	
Trade receivables	(12,684)	-	15,502	-
Trade payables	11,116	-	(13,586)	-
Derivative financial instruments	(383)	2,020	(695)	(879)
TOTAL	**(1,951)**	**2,020**	**1,221**	**(879)**

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

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

		2011			
(in thousands of euros)		Trade receivables	Trade payables	Derivative financial instruments	Total
Impact on income statement reserves 10% appreciation of the euro	**USD**	(6,953)	7,802	1,154	2,003
	GBP	(2,335)	1,407	(703)	(1,631)
	JPY	-	1	-	1
	CAD	(1,995)	1,190	(500)	(1,305)
	AUD	(1,401)	716	(334)	(1,019)
	SUBTOTAL	**(12,684)**	**11,116**	**(383)**	**(1,951)**
Impact on income statement reserves 10% depreciation of the euro	**USD**	8,498	(9,536)	(2,232)	(3,270)
	GBP	2,854	(1,720)	703	1,837
	JPY	-	(1)	-	(1)
	CAD	2,438	(1,454)	500	1,484
	AUD	1,712	(875)	334	1,171
	SUBTOTAL	**15,502**	**(13,586)**	**(695)**	**1,221**

Interest rate risk

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

Interest rate swaps and cap agreements are the main instruments used.

In 2009, the Group put in place an interest rate cap covering 100% of the €210 million syndicated loan tranche. In 2011, the Group entered into an interest rate swap to hedge the attendant risk. As a result, the interest rate cap became ineffective and no longer qualified for hedge accounting.

	Carrying amount		
(in thousands of euros)	2009	2010	2011
Fixed-rate instruments			
Fixed-rate financial assets	**-**	**-**	**-**
Bond loans	-	-	213,637
Bank borrowings	-	-	207,781
Others	27,172	14,615	12,146
Fixed-rate financial liabilities	**27,172**	**14,615**	**433,564**
Variable-rate instruments			
Cash and cash equivalents	91,205	158,937	347,602
Financial assets	3,591	4,583	4,690
Trade receivables	188,928	227,008	296,216
Finance lease receivables	25,654	25,828	29,893
Other operating receivables	5,217	2,823	5,970
Other current assets	218	179	316
Other non-current assets	175	147	251
Derivative hedging instruments (assets)	3,433	3,461	6,861
Variable-rate financial assets	**318,421**	**422,968**	**691,799**
Bank borrowings, finance leases, short-term borrowings	208,473	253,389	18,060
Variable-rate financial liabilities	**208,473**	**253,389**	**18,060**
Accrued interest on bank borrowings	**-**	**-**	**5,630**

Sensitivity to interest rate risk

An increase of 100 points in 3 month Euribor would have increased profit for the period by €0.2 million, and increased equity by €5.7 million at December 31, 2011.

A decrease of 100 points in 3 month Euribor would have decreased profit for the period by €0.02 million, and reduced equity by €5.8 million at December 31, 2011.

NOTE 5 CONSOLIDATION SCOPE

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

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

Corporate name	Address	Country	% interest Ingenico SA	Consolidation method
PARENT COMPANY				
INGENICO SA	192, avenue Charles de Gaulle 92200 Neuilly-sur-Seine Cedex	France		
CONSOLIDATED SUBSIDIARIES				
Ingenico Ventures SAS	192, avenue Charles de Gaulle 92200 Neuilly-sur-Seine Cedex As well as its associates – Fixed & Mobile Pte. Ltd., a company incorporated in Singapore held up to 38.38% and Roam Data, a company incorporated in the United States held at 43.92% with the Group's share of profit and loss accounted for using the equity method	France	100%	FC
Ingenico Prepaid Services France SAS	192, avenue Charles de Gaulle 92200 Neuilly-sur-Seine Cedex	France	100%	FC
Ingenico 1	192, avenue Charles de Gaulle 92200 Neuilly-sur-Seine Cedex	France	100%	FC
Ingenico 2	192, avenue Charles de Gaulle 92200 Neuilly-sur-Seine Cedex	France	100%	FC
Xiring	"River Seine" - 25 Quai Galliéni 92158 Suresnes Cedex As well as its wholly owned subsidiary – Baracoda	France	92%	FC
Ingenico GmbH	Pfalzburger Straße 43-44 10717 Berlin	Germany	100%	FC
Ingenico Healthcare GmbH	Konrad-Zuse-Ring 1 - 24220 Flintbek	Germany	100%	FC
DI Deutsche Ingenico Holding GmbH	c/o Debevoise & Plimpton LLP - Taubenstrasse 7-9 - 60313 Frankfurt am Main As well as its wholly owned subsidiaries – easycash Loyalty Solutions GmbH and easycash GmbH	Germany	100%	FC
Ingenico International (Pacific) PTY. Ltd.	6 Prosperity Parade - Warriewood NSW 2102	Australia	100%	FC
Ingenico International (Singapore) Pte. Ltd.	600 North Bridge Road, #05-01 Parkview Square Singapore 188778	Singapore	100%	FC
Ingenico UK Ltd.	Rudheath Way - Gadbrook Park - CW9 LT - Northwich, Cheshire As well as its wholly owned subsidiaries – Ingenico Ireland Ltd and Sagem Matsu	U.K.	100%	FC
Ingenico Iberia SL	Avenida del Partenon 16-18 - Campo de las Naciones 28042 Madrid As well as its subsidiaries – Ingenico Services Iberia held up to 100% and Ingenico Barcelona SA held at 99.99%	Spain	100%	FC

Corporate name	Address	Country	% interest Ingenico SA	Consolidation method
Ingenico Corp	9 East Loockerman Street - City of Dover 19901 Delaware As well as its wholly owned American and Canadian subsidiaries	U.S.	100%	FC
Ingenico IVI Inc	9155 South Date Land Blvd - Suite 1408 Miami Florida 33156 As well as its wholly owned Mexican subsidiary	U.S.	100%	FC
Ingenico do Brasil Ltda.	Avendida Tamboré, 418 Bairro Tamborré, Barueri - CEP 06460-000 - Sao Paulo As well as its wholly owned Colombian an Venezuelan subsidiaries and its branch offices in Argentina and Chile	Brazil	100%	FC
Ingenico Italia SpA	Via Stephenson 43/a - 20157 Milano As well as its wholly owned subsidiary TNET	Italy	100%	FC
Ingenico Holdings Asia Ltd	3806 Central Plaza, 18 Harbour Road, Wanchai, Hong Kong As well as its subsidiaries, Landi and Ingeserve Ltd. Respectively held at 78% and (directly and indirectly) held up to 100% which are both consolidated and its associate – Korvac Holdings Pte, held at 49% which is accounted for using the equity method and its 61.62% equity interest in Fixed & Mobile Pte. Ltd.	Hong Kong	100%	FC
Ingenico Software Services Philippines Inc	15 & 17 Floors pearl Bank Center - 146 Valero Street 1227 Metro Manila, Salce do Village Mkt Philippines	Philippines	100%	FC
Ingenico International Private India Ltd	Ground Floor, 25 DSIDC Scheme II, Okhla Phase II - New Delhi - 110020, New Delhi	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 As well as its wholly owned subsidiary – Ingenico Polska	Luxembourg	100%	FC
Ingenico Investment Luxembourg SA	10 bd royal L2449 Luxembourg	Luxembourg	100%	FC
Ingenico CIS	Godovikova street, 9 - 119085, Moscow - Russia	Russia	100%	FC
Ingenico CZ S.r.o.	Myslíkova 173/25 - 110 00, Praha 1 - Czech Republic	Czech Republic	100%	FC
Ingenico Ödeme	ITU Ayazaga Kampusu Ari 2 Binasi B blok N° 6/1 Koruyolu 34469 Maslak Istambul As well as its wholly owned subsidiary – Ingenico Elektronik Sanayi	Turkey	100%	FC

NOTE 6 ACQUISITIONS AND DIVESTITURES

Aquisitions

6.1 Acquisition of paycom

Description of the transaction

On July 1, 2011, Ingenico announced the acquisition of 100% of paycom Gesellschaft für Elektronische Zahlungssysteme GmbH, Kiel (paycom), and its subsidiary paycom Speyer. paycom sells, installs and maintains electronic payment and customer loyalty systems and related services and is mainly active in Germany. paycom also leases and sells terminals to its customers and guarantees a network connection for these terminals, acting as a contractual partner for all types of merchants.

Scope

paycom absorbed its wholly-owned subsidiary paycom Speyer on December 30, 2011, with retroactive effect from July 1, 2011.

Transaction price

The acquisition of paycom was made by its subsidiary easycash GmbH for a total consideration of €12.4 million.

Cash acquired amounted to €1.4 million. The net cash outflow was therefore €11 million.

Contribution to Group results (from July 2011)

The contribution of Ingenico paycom to the consolidated results of the Group was:

- €1.43 million to revenue;
- €0.04 million to profit from ordinary activities;
- €0.08 million to profit for the period.

If the acquisition had occurred on January 1, 2011, the impact on Group revenue and profit for the period would have been €3.1 million and €0.2 million, respectively.

6.2 Acquisition of TNET

Description of the transaction

On July 13, 2011, Ingenico acquired 100% of TNET Centro Servizi Monetici S.R.L. (TNET), an Italian company specialized in technical services for payment terminals. Through this transaction, the Group has reinforced its positioning in the Italian market, notably in banking, loyalty programs, service stations and retail.

Transaction price

Ingenico Italia acquired TNET for consideration of €0.9 million. The transaction cost included a €0.2 million price adjustment under the terms of an earn-out clause, with June 30, 2012 as the effective date.

Cash acquired amounted to €-0.8 million. The net cash outflow was therefore €1.4 million.

Contribution to Group results (from August 2011)

The contribution of TNET to the consolidated results of the Group was:

- €1.44 million to revenue;
- €0.42 million to profit from ordinary activities;
- €0.42 million to profit for the period.

If the acquisition had occurred on January 1, 2011, the impact on Group revenue and profit for the period would have been €3.0 million and €-0.08 million, respectively.

6.3 Acquisition of Xiring

Description of the transaction

On November 14, 2011, Ingenico launched a contractual voluntary tender offer to acquire all the shares of the company Xiring (listed on the Alternext market). Xiring is a security solutions provider for electronic transactions in the healthcare sector. On December 5, 2011, following completion of the offer, Ingenico held 91.81% of Xiring shares, meeting the success criterion defined in the terms of the offer.

The Xiring acquisition enables Ingenico to step up its presence in solutions for healthcare professionals and become a leading global provider capable of deploying large-scale programs in all countries with policies aimed at controlling their healthcare costs.

Scope

The Xiring group includes the following companies:

- Xiring;
- Baracoda France;
- Baracoda Inc. (USA).

Transaction price

The offer price was €17 per share, representing a total cost of €62.2 million to acquire 91.81% of existing shares.

Cash acquired amounted to €8.4 million. The net cash outflow was therefore €53.8 million.

Contribution to Group results (from December 2011)

The contribution of Xiring to the consolidated results of the Group was:

- €2.7 million to revenue;
- No effect to profit from ordinary activities;
- €0.1 million to profit for the period.

If the acquisition had occurred on January 1, 2011, the impact on Group revenue and profit for the period would have been €19.8 million and €3.2 million, respectively.

6.4 Acquisition of an additional shareholding in Fujian Landi

On September 22, 2011, Ingenico Holding Asia (formerly Autogain Hong Kong) signed an amendment to the acquisition agreement, under which:

- Ingenico Holding Asia has acquired an additional 10% stake in Landi for consideration of USD20 million;
- the deadline for exercising the put option, which now applies to the remaining 22% stake held by Landi's minority shareholders, was extended by one year starting from May 2012.

These transactions are described in Note 12, Goodwill and other intangible assets.

NOTE 7 SEGMENT REPORTING

The criteria for the determination of reportable segments is set out in Note 2, Accounting principles and methods, of the consolidated financial statements for the year ended December 31, 2011. The information presented below is based on the management reporting used by the Executive Committee, the chief operating decision-maker as defined by IFRS 8, to evaluate the performance of the different segments.

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

In 2011, the Group continued its reorganization and modified its management reporting to implement a model based on Central Operations. Central Operations is an operating segment in its own right whose role is to carry out a number of cross-functional activities on behalf of the Regions, which are responsible for distributing the Group's products and services. This segment also includes recently acquired companies (such as Xiring) during the integration phase, as well as businesses that are not geographically based and whose development is coordinated by the head office (such as Fixed & Mobile Pte. Ltd.). Accordingly, the Executive Committee decided to modify the way in which segment performance is monitored.

The reportable segments at December 31, 2011 were therefore as follows:

- Central Operations, a division that brings together cross-functional and support services, particularly the distribution of products and services to the Regions identified below:
- Europe-SEPA;
- Asia-Pacific (including Australia and China);
- North America (including the USA. and Canada);
- Latin America (including Brazil and Mexico);
- EEMEA (Central Europe, Africa and the Middle East).

The segment information for 2011 therefore follows the new organization. The consolidated income statement data has been restated for 2010 and 2009. Given the extensive resources that would be necessary to restate balance sheet data, the latter is provided as is.

The impact of the new organizational structure on cash-generating units and related goodwill is described in Note 12, Goodwill and other intangible assets.

Review of segment results

Revenue and profit from operations generated by Group entities that contribute to more than one segment have been allocated as follows:

	2011							
(in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	Central Europe Middle East Africa	Central Operations	Central operations	Consolidated
External revenue	**471,597**	**167,770**	**77,492**	**173,397**	**77,372**	**33,487**	**33,487**	**1,001,115**
Profit from ordinary activities	65,629	32,858	8,562	14,881	2,645	3,888	3,888	128,463
Profit from operations								110,821
Net finance costs								(27,079)
Share of profits of associates								(3,198)
Income tax								(22,551)
Profit for the period								**57,993**
Attributable to Ingenico SA shareholders								**56,489**

	2010						
(in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	Central Europe Middle East Africa	Central operations	Consolidated
External revenue	**431,688**	**128,941**	**102,985**	**162,179**	**71,378**	**9,849**	**907,020**
Profit from ordinary activities	38,326	20,161	13,472	10,425	1,848	12,659	96,891
Profit from operations							73,769
Net finance costs							(9,794)
Share of profits of associates							(1,671)
Income tax							(22,716)
Profit for the period							**39,589**
Attributable to Ingenico SA shareholders							**39,575**

	2009						
(in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	Central Europe Middle East Africa	Central operations	Consolidated
External revenue	**303,570**	**80,849**	**102,234**	**130,275**	**80,482**	**3,274**	**700,684**
Profit from ordinary activities	39,101	9,410	3,115	2,935	6,591	(315)	60,835
Profit from operations							47,448
Net finance costs							(2,204)
Share of profits of associates							(283)
Income tax							(18,121)
Profit for the period							**26,840**
Attributable to Ingenico SA shareholders							**26,840**

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

Depreciation and amortization expense and expenses with no impact on cash flow are broken down as follows:

	2011						
(in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	Central Europe Middle East Africa	Central operations	Consolidated
Depreciation and amortization expense	19,478	2,254	930	1,871	656	27,109	52,298
Additions to provisions, net of reversals and IFRS 2 expenses	(1,295)	1,176	(2,334)	(3,734)	169	8,143	2,125

	2010						
(in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	Central Europe Middle East Africa	Central operations	Consolidated
Depreciation and amortization expense	46,637	2,608	22,884	3,099	1,135	N/A	76,363
Additions to provisions, net of reversals and IFRS 2 expenses	9,453	922	3,829	89	(276)	N/A	14,017

	2009						
(in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	Central Europ Middle East Africa	Central operations	Consolidated
Depreciation and amortization expense	31,865	2,340	1,534	2,197	1,125	N/A	39,061
Additions to provisions, net of reversals and IFRS 2 expenses	5,298	610	455	1,835	508	N/A	8,706

Breakdown of segment assets and liabilities

Segment information is presented according to the new organizational structure for 2011 (see above).

Given the extensive resources that would be necessary to restate information on segment assets and liabilities, the latter is provided as is for 2009 and 2010.

Segment assets and liabilities are broken down as follows:

	2011						
(in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	Central Europe Middle East Africa	Central Operations	Consolidated
Goodwill	202,794	54,472	18,381	6,384	15,741	231,250	529,022
Other non-group sector assets	323,747	155,922	78,169	80,767	19,059	356,169	1,013,833
Deferred tax assets							23,502
Current tax receivables							9,359
Financial assets							4,667
Derivative financial instruments							6,861
TOTAL ASSETS	**526,540**	**210,394**	**96,550**	**87,151**	**34,800**	**587,419**	**1,587,244**
Other non-group sector liabilities	111,890	100,077	25,164	56,532	8,941	132,697	435,301
Total equity							630,583
Deferred tax liabilities							43,696
Current tax liabilities							16,640
Financial liabilities							457,254
Derivative financial instruments							3,770
TOTAL LIABILITIES	**111,890**	**100,077**	**25,164**	**56,532**	**8,941**	**132,697**	**1,587,244**

	2010						
(in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	Central Europe Middle East Africa	Central Operations	Consolidated
Goodwill	314,263	61,967	46,002	8,339	35,691	N/A	466,260
Other non-group sector assets	470,689	122,939	75,532	72,209	14,288	N/A	755,658
Deferred tax assets							22,883
Current tax receivables							10,582
Financial assets							4,561
Derivative financial instruments							3,461
TOTAL ASSETS	**784,952**	**184,905**	**121,534**	**80,548**	**49,979**	N/A	**1,263,405**
Other non-group sector liabilities	231,419	83,748	24,963	52,149	7,584	N/A	399,863
Total equity							545,567
Deferred tax liabilities							39,123
Current tax liabilities							8,633
Financial liabilities							268,003
Derivative financial instruments							2,216
TOTAL LIABILITIES	**231,419**	**83,748**	**24,963**	**52,149**	**7,584**	N/A	**1,263,405**

	2009						
(in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	Central Europe Middle East Africa	Central Operations	Consolidated
Goodwill	281,719	23,747	66,527	7,364	34,872	N/A	414,228
Other non-group sector assets	427,159	60,550	51,692	64,540	13,787	N/A	617,728
Deferred tax assets							23,341
Current tax receivables							9,456
Financial assets							3,567
Derivative financial instruments							3,433
TOTAL ASSETS	**708,877**	**84,296**	**118,219**	**71,904**	**48,658**	N/A	**1,071,752**
Other non-group sector liabilities	170,838	42,635	15,481	44,194	8,654	N/A	281,801
Total equity							493,088
Deferred tax liabilities							43,289
Current tax liabilities							17,124
Financial liabilities							235,645
Derivative financial instruments							806
TOTAL LIABILITIES	**170,838**	**42,635**	**15,481**	**44,194**	**8,654**	N/A	**1,071,752**

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

Acquisition costs for property, plant and equipment and other intangible assets are broken down as follows:

	2011						
(in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	Central Europe Middle East Africa	Central Operations	Consolidated
Intangible assets and property, plant and equipment - at cost	(9,468)	(1,238)	(939)	(1,357)	(188)	(21,555)	(34,745)

	2010						
(in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	Central Europe Middle East Africa	Central Operations	Consolidated
Intangible assets and property, plant and equipment - at cost	(18,858)	(1,134)	(825)	(2,557)	(712)	N/A	(24,085)

	2009						
(in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	Central Europe Middle East Africa	Central Operations	Consolidated
Intangible assets and property, plant and equipment - at cost	(19,005)	(427)	(397)	(3,325)	(7)	N/A	(23,161)

NOTE 8 COSTS AND OTHER EXPENSE ANALYSES BY NATURE

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

Personnel costs are broken down as follows:

(in thousands of euros)	2009	2010	2011
Wages and salaries	101,133	133,834	150,381
Social security contributions	33,511	39,498	44,617
Retirement and other defined-benefit plan expenses	(915)	36	27
Provisions for retirement indemnities	456	311	494
Stock options and free shares	6,663	5,612	4,291
TOTAL	**140,848**	**179,292**	**199,810**

Depreciation and amortization expense and impairment breaks down as follows:

(in thousands of euros)	2009	2010	2011
Additions/(reversals)			
Amortization and impairment for intangible assets	25,707	39,992	36,343
Depreciation and impairment for property, plant and equipment	11,484	14,670	14,986
Goodwill impairment	1,829	21,845	750
Impairment of inventories	1,542	1,508	3,628
Impairment of trade receivables	2,371	1,395	4,312
Impairment of financial assets	40	54	(6)
TOTAL	**42,974**	**79,465**	**60,013**

Direct costs break down as follows:

(in thousands of euros)	2009	2010	2011
Cost of terminals	(279,460)	(302,886)	(319,554)
Cost of services and software	(95,524)	(156,879)	(183,699)
TOTAL DIRECT COSTS	**(374,984)**	**(459,765)**	**(503,253)**
Indirect costs	(54,796)	(81,120)	(81,080)
TOTAL COST OF SALES	**(429,780)**	**(540,885)**	**(584,333)**

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

(in thousands of euros)	2009	2010	2011
Amount of research and development capitalized	7,961	5,496	6,065
Total R&D expenditure (costs and investment)[(1)]	83,600	89,743	82,663
Share of capitalized r&d expenditure (as %)	**10%**	**6%**	**7%**

(1) Net of 2011 research tax credit of €2,284,000 (€2,165,000 in 2010).

NOTE 9 OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses include:

(in thousands of euros)	2009	2010	2011
Restructuring costs	(9,787)	(9,934)	(13,012)
Litigation expenses	(276)	(168)	(3,277)
Gains/(losses) on disposal of assets	(2,725)	1,161	(923)
Disposal or retirement of property, plant and equipment or intangible assets	(408)	(883)	-
Impairment losses	-	(22,086)	-
Gains and losses on remeasurement of shareholdings	-	8,303	-
Other	(191)	486	(430)
TOTAL	**(13,387)**	**(23,121)**	**(17,642)**

In 2011, other operating income and expenses are comprised mainly of the following:

- restructuring costs for the Group reorganization in a total amount of €13.0 million, in particular for:
  - additional costs of €3.4 million for the migration of applications to the Telium platform (essentially in the region North America);
  - costs incurred on the disposal, abandon or reorganization of operations of €2.0 million;
  - costs incurred in connection with a project to acquire assets in the U.S. payment market and costs arising from other acquisitions during the year, for a total of €3.4 million;
  - a cost of €4.2 million incurred during the year to transfer the head office to Paris in early 2012, of which €0.7 result from the accelerated depreciation of certain assets.
- expenses, additions to and reversals of provisions for litigation with third parties in a total amount of €3.3 million, including the payment of €3.4 million in service tax (ISS) to the Sao Paulo tax authorities in Brazil under a tax amnesty program that led to the final extinguishment of the Group's liability and a substantial reduction in the penalties and late payment interest originally assessed. In respect of the ICMS tax dispute in Brazil, the Group has not recognized a provision, based on an analysis of the risks involved and on the criteria set out in IAS 37.

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

- restructuring costs for the Group reorganization in a total amount of €9.9 million, in particular for:
  - additional costs of €2.5 million for the migration of applications to the Telium platform;
  - costs incurred on the disposal, abandon or reorganization of operations of €1.7 million;
  - costs incurred at the time of the project of a take-over bid for the Group in the last quarter of 2010, amounting to €3,8 million.
- the profit on disposal of the subsidiary Mynt Betal Norway in December 2010 of €1.3 million;
- impairment loss on the goodwill of the North America cash-generating unit amounting to €21.4 million;
- the gain on remeasurement to fair value at the time of a business combination achieved in stages amounting to €8.3 million, in conformity with IFRS 3R adopted by the Group in 2010. The gain represents the excess of the initial fair value of the proportionate share of equity determined in function of the acquisition price paid to obtain control, and its carrying amount.

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

- a total of €9.8 million in restructuring charges incurred in connection with the reorganization of Group activities, chiefly research & development. That amount breaks down as follows:
  - €3.9 million to cover the cost of measures for the benefit of Ingenico Barcelona employees;
  - €2.3 million in additional costs related to the migration of applications to the Telium platform;
  - costs of €3.6 million on the disposal, abandon or reorganization of operations.
- losses on the disposal of Group subsidiaries: a €1.2 million loss on the disposal of Sagem Denmark and Manison Finland in June 2009, and a €1.5 million loss on the disposal of Moneyline Banking Systems in December 2009.

NOTE 10 NET FINANCE COSTS

Net finance costs are broken down as follows:

(in thousands of euros)	2009	2010	2011
Other interest expense	(3,331)	(10,626)	(25,859)
Interest expense on finance lease contracts	-	(1,024)	(700)
Total interest expense	**(3,331)**	**(11,650)**	**(26,559)**
Income from cash and cash equivalents	1,840	501	3,876
Interest income on finance lease contracts	-	2,864	3,277
Net interest expense	**(1,492)**	**(8,285)**	**(19,406)**
Foreign exchange gains	32,359	56,351	50,024
Foreign exchange losses	(34,601)	(55,482)	(54,126)
Foreign exchange gains and losses, net	**(2,243)**	**869**	**(4,102)**
Gains/(losses) on other investments (remeasurement, disposal)	(356)	7	534
Other financial income	3,026	12	20
Other financial expenses	(1,139)	(2,397)	(4,125)
Other financial income and expenses, net	**1,531**	**(2,378)**	**(3,571)**
Net finance costs	**(2,204)**	**(9,794)**	**(27,079)**

In 2011, net finance costs are as follows:

Interest expense was related to short- and medium-term loans and finance lease contracts. Interest on medium-term loans included €12.3 million on the €360 million syndicated loan facility put in place on August 5, 2011 to replace the facility contracted in 2009 to finance the easycash acquisition, and €10.5 million in interest payments on OCEANE convertible bonds. The change in the fair value of the interest rate cap created an additional expense of €-1.6 million. Interest on short-term borrowings was €-1.2 million, mainly in connection with a loan contracted by the Brazilian subsidiary, which was repaid on December 31, 2011. Interest expense and interest income on finance lease contracts mainly involved easycash GmbH and Ingenico SA.

Foreign exchange gains and losses show a net loss of €-4.1 million. It is the result of realized and unrealized gains and losses from the Group's business activities (see Note 4.2, Foreign exchange risk).

Other financial income and expenses comprise:

- changes in the fair value of financial instruments which do not qualify as hedges;
- dividends paid to the minority shareholders of the Chinese subsidiary, Fujian Landi (see Note 12, Goodwill);
- the unwinding of the discounted present value of share purchase commitments with minority shareholders and of post-employment benefit obligations (see Note 26, Provisions for retirement benefit obligations).

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

Foreign exchange gains and losses show a net gain of €1.4 million. It was the result of realized and unrealized gains and losses from the Group's business activities.

Other financial income and expenses comprised:

- changes in the fair value of financial instruments which do not qualify as hedges;
- dividends paid to the minority shareholders of the Chinese subsidiary, Fujian Landi (see Note 12, Goodwill);
- the unwinding of the discounted present value of share purchase commitments with minority shareholders and of post-employment benefit obligations (see Note 26, Provisions for retirement benefit obligations).

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

Income from cash and cash equivalents consisted mainly of gains on the disposal of securities by the parent company.

Foreign exchange risk is primarily assumed and therefore hedged by the parent company. In 2009, net foreign exchange losses totaled €2.2 million.

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

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

Items recognized in profit or loss *(in thousands of euros)*	**2009**	**2010**	**2011**
Interest income on bank deposits	811	367	3,775
Interest income on finance lease contracts	4	2,864	3,277
Income from sale of financial assets held for trading	3,578	74	602
Change in fair value of financial assets held for trading	3	-	332
Ineffective portion of the change in fair value of exchange rate cash flow hedging instruments	918	-	565
Foreign exchange gains	31,794	56,353	49,127
Others	116	80	54
Financial income	**37,224**	**59,738**	**57,732**
Interest expense on borrowings stated at amortized cost	(4,125)	(10,661)	(27,195)
Interest expense on finance lease contracts	-	(1,024)	(700)
Unwinding of discounting	(193)	(1,269)	(1,138)
Change in fair value of financial assets held for trading	(83)	(546)	-
Foreign exchange losses	(34,956)	(53,776)	(54,126)
Ineffective portion of the change in fair value of exchange rate cash flow hedging instruments	-	(1,160)	-
Loss on change in fair value of interest rate hedges	-	(1,035)	(1,582)
Others	(71)	(61)	(70)
Financial expense	**(39,428)**	**(69,532)**	**(84,811)**
Finance costs	**(2,204)**	**(9,794)**	**(27,079)**

Items directly recognized in other comprehensive income *(in thousands of euros)*	**2009**	**2010**	**2011**
Effective portion of the change in fair value of exchange rate cash flow hedging instruments	2,381	(46)	3,131
Effective portion of the change in fair value of interest rate cash flow hedging instruments	147	(659)	(929)
Recognized in fair value reserves	**2,528**	**(705)**	**2,202**

NOTE 11 INCOME TAX

Income tax expense on the earnings of consolidated companies

(in thousands of euros)	2009	2010	2011
Current tax	(23,047)	(28,096)	(31,102)
Deferred tax	4,926	5,381	8,551
TOTAL	**(18,121)**	**(22,715)**	**(22,551)**

In 2011, income tax expense for the period mainly reflects:

- current tax payable in Germany, Brazil, the United-Kingdom, China, Italy, Australia and France;
- a credit to deferred tax expense from the recognition of deferred tax assets – mainly in France and Germany – to account for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

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

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

In 2010, income tax expense concerned in particular current tax in France, Germany, Brazil, China, the United-States and Canada. The deferred tax credit from the recognition of deferred tax assets mainly in France, China and Germany, on temporary differences between the book and tax bases of assets and liabilities.

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

Following the reform of the French local business tax, the Group has decided to classify one of the components of new tax (‘CVAE’) as income tax (see Note 2, Accounting principles and methods). In 2010, the amount of CVAE so classified was €2.0 million. The net deferred tax liability of €0.9 million, which had been recognized at the end of 2009 as the relevant legislation had been enacted in that year, is credited to profit or loss in the same periods as the related amortization and depreciation expense of French companies.

Group tax reconciliation

In accordance with the provisions of the 2012 Finance Act, the current tax rate for French companies in the Group is now 36.1% in respect of 2011 and 2012. At December 31, 2011, the deferred tax rate in France was 34.43% for all temporary differences. The reasoning behind this is that a change in the applicable tax rate for temporary differences that are reversed within two years would not have a significant effect on annual financial statements.

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

Reconciliation between income tax expense and profit before income tax

(in thousands of euros)	2009	2010	2011
Profit for the period (excl. Share of associates' profit)	**27,123**	**41,260**	**61,191**
Income tax expense	**(18,121)**	**(22,715)**	**(22,551)**
Profit before income tax	**45,244**	**63,975**	**83,742**
Tax rate in France	34.43%	34.43%	36.10%
Theoretical tax expense	(15,578)	(22,027)	(30,231)
Difference between the French tax rate and that of foreign subsidiaries	2,242	5,550	10,560
Tax losses and temporary differences of the year not recognized	(3,103)	(5,033)	(1,569)
Prior period temporary differences and tax losses recognized as deferred tax assets in the period	2,702	3,085	1,507
Use of prior period tax losses not recognized as deferred tax assets	2,891	1,049	2,227
Tax credits	1,562	(1,017)	18
Effect of permanent differences and other	(8,837)	(4,322)	(5,063)
TOTAL	**(18,121)**	**(22,715)**	**(22,551)**
Effective tax rate	40.1%	35.5%	26.9%

Change in deferred tax assets and liabilities

(in thousands of euros)	Deferred tax assets from tax losses	Deferred tax assets from temporary differences	Total deferred tax assets	Total deferred tax liabilities	Total deferred tax net
At December 31, 2008	**9,184**	**11,445**	**20,631**	(24,216)	**(3,586)**
Deferred tax recognized in profit or loss	(2,173)	2,742	569	4,357	4,926
Deferred tax recognized in equity and on business combinations	-	883	883	(23,546) [(a)]	(22,663)
Translation differences	469	1,032	1,501	13	1,514
Other movements	(535)	294	(243)	103	(140)
At December 31, 2009	**6,945**	**16,394**	**23,341**	(43,289)	**(19,948)**
Deferred tax recognized in profit or loss	(3,884)	4,792	908	4,473	5,381
Deferred tax recognized in equity and on business combinations		(726)	(726)	(2,733) [(b)]	(3,459)
Translation differences	360	1,421	1,781	5	1,786
Other movements	383	(2,804)	(2,421)	2,421	-
At December 31, 2010	**3,804**	**19,079**	**22,883**	(39,123)	**(16,240)**
Deferred tax recognized in profit or loss	(620)	258	(362)	8,913	8,551
Deferred tax recognized in equity and on business combinations	-	1,365	1,365	(13,605) [(c)]	(12,240)
Translation differences	98	(363)	(265)	-	(265)
Other movements	-	(119)	(119)	119	-
At December 31, 2011	**3,282**	**20,220**	**23,502**	(43,696)	**(20,194)**

(a) Includes deferred tax liabilities resulting from the allocation of the acquisition price of the easycash group to its identifiable assets and liabilities.
(b) Includes deferred tax liabilities resulting from the allocation of the acquisition price of Fixed and Mobile Pte, Ingenico Services Iberia and Ingenico Prepaid Services France to these entities' identifiable assets and liabilities.
(c) Includes deferred tax liabilities (€12.7 million) recognized on the equity component of OCEANE bonds.

Breakdown by type of temporary difference

(in thousands of euros)	2009	2010	2011
Deferred tax assets by type of temporary difference			
Property, plant and equipment and other intangible assets	4,138	2,496	5,512
Employee benefits	3,242	4,423	6,646
Inventories, receivables, payables and provisions	21,098	23,660	23,995
Unutilized tax losses and credits	7,029	3,804	5,487
Other (including financial instruments)	1,857	1,826	1,431
Deferred tax assets	**37,365**	**36,208**	**43,072**
Netting effect	(14,024)	(13,325)	(19,570)
TOTAL DEFERRED TAX ASSETS	**23,341**	**22,883**	**23,502**
Deferred tax liabilities by type of temporary difference			
Property, plant and equipment and other intangible assets	(44,933)	(39,736)	(37,263)
Employee benefits	(36)	(119)	(56)
Inventories, receivables, payables and provisions	(9,564)	(10,372)	(23,912)[a]
Unutilized tax losses and credits	-	-	-
Other (including financial instruments)	(2,780)	(2,220)	(2,032)
Deferred tax liabilities	**(57,313)**	**(52,448)**	**(63,263)**
Netting effect	14,024	13,325	19,570
TOTAL DEFERRED TAX LIABILITIES	**(43,289)**	**(39,123)**	**(43,694)**
TOTAL NET	**(19,948)**	**(16,240)**	**(20,192)**

(a) Includes deferred tax liabilities (€12.7 million) recognized on the equity component of Oceane bonds

Breakdown of unrecognized deferred tax assets

(in thousands of euros)	2009	2010	2011
Deferred tax from tax losses and tax credits	6,583	13,468	9,792
Deferred tax from temporary differences	4,991	6,668	6,785
TOTAL	**11,574**	**20,137**	**16,577**

NOTE 12 GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

(in thousands of euros)	2009	2010	2011
At January 1st	**221,437**	**414,227**	**466,260**
Investments	217,381	48,866	52,243
Disposals (Denmark & Manison-Moneyline Banking Systems)	(25,882)	-	-
Impairment losses	-	(22,086)	-
Translation differences	1,416	4,017	1,387
Modifications	-	21,236	9,132
Others	(125)	-	-
At December 31	**414,227**	**466,260**	**529,022**

After deploying new activities across SEPA and adopting a common operational and investment strategy for the region in 2010, the Group went further with reorganization in 2011, creating a separate operating segment called Central Operations. Its role is to carry out a number of cross-functional activities on behalf of the Regions, which are responsible for distributing the Group's products and services, and provide for the overall expansion of the Group (see Note 7, Segment reporting).

As a result of the reorganization and the changes in how revenue reporting is monitored by the Executive Committee, the Group's chief operating decision-maker, the operating segments at December 31, 2011 are as follows:

- Central Operations, a division that brings together cross-functional and support services, particularly the distribution of products and services to the Regions identified below;
- SEPA ;
- Asia-Pacific (Australia, China, etc.), a region encompassing two separate cash-generating units (CGUs), i.e., the Asia CGU (primarily China) and the Pacific CGU (comprising entities operating in Southeast Asia and Australia);
- North America (the U.S. and Canada);
- Latin America (Brazil, Mexico, etc.);
- Central Europe, Africa and the Middle East.

With the exception of Asia-Pacific, a region encompassing two CGUs, the Group's operating segments are the level at which Group management monitors goodwill, particularly with respect to resource allocation and performance tracking.

The scope of the CGUs has also been changed to take proper account of the new organizational structure.

Goodwill has accordingly been reallocated among CGUs, based on the functions fulfilled by each CGU within the Group. The goodwill now allocated to the Central Operations CGU encompasses (i) a portion of the goodwill formerly allocated to geographically-based CGUs, following a functional analysis of the Group that suggested a new breakdown of fair value among CGUs to reflect the organizational change; and (ii) the goodwill arising on recent acquisitions (such as XIRING), which will be allocated to this segment for as long as it takes the head office to integrate them. This breakdown mirrors the Group's current organizational structure.

Impairment tests are performed for each CGU or for groups of CGUs as defined above.

Breakdown of goodwill

The following tables reflect the new breakdown of goodwill among CGUs (see above):

Cash-generating units *(in thousands of euros)*	2011 Gross carrying amount	Total impairment losses	Net carrying amount
SEPA	205,056	(2,262)	202,794
Asia/Pacific	54,472	-	54,472
North America	39,773	(21,392)	18,381
Latin America	6,384	-	6,384
Central Europe/Middle East/Africa	15,740	-	15,740
Central Operations	231,251	-	231,251
TOTAL	**552,676**	**(23,654)**	**529,022**

Cash-generating units *(in thousands of euros)*	2010 Gross carrying amount	Total impairment losses	Net carrying amount
SEPA	316,107	(1,844)	314,263
Asia/Pacific	61,966	-	61,967
North America	67,394	(21,392)	46,002
Latin America	8,339	-	8,339
Central Europe/Middle East/Africa	35,691	-	35,691
TOTAL	**489,496**	**(23,235)**	**466,260**

Cash-generating units *(in thousands of euros)*	2009 Gross carrying amount	Total impairment losses	Net carrying amount
SEPA	282,860	(1,142)	281,718
Asia/Pacific	28,746	(4,999)	23,747
North America	66,527	-	66,527
Latin America	7,364	-	7,364
Central Europe/Middle East/Africa	34,871	-	34,871
TOTAL	**420,368**	**(6,142)**	**414,227**

In 2011

The increase in goodwill was due primarily to acquisitions carried out in 2011. The Group acquired Xiring for €40.2 million, paycom for €9.5 million and TNET for €2.6 million.

Other changes reflected the remeasurement of the Group's liabilities under specific clauses in the agreement to acquire the Chinese entity Fujian Landi, which led to a €11.7 million increase in goodwill (see below, Remeasurement of goodwill).

Acquisitions and control

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

Transaction costs of 2011 acquisitions amounted to €1.9 million, and were recognized in other operating expenses.

Ingenico Xiring

The consideration paid for Xiring was €62.2 million.

The preliminary purchase price allocation performed at the time of the acquisition will be finalized no later than twelve months from the date on which the Group obtains control of Xiring.

The intangible assets acquired were measured at fair value.

This led to the identification of intangible assets with a total value of €9.5 million that had not been recognized in the financial statements of Ingenico Xiring:

- the customer portfolio, valued at €6.3 million, to be amortized over 5 years;
- technology, valued at €6.0 million, to be amortized over 5 years;
- inventory, valued at €0.8 million, to be amortized over 3 months;
- a brand, valued at €0.3 million, to be amortized over 5 years;
- a brand, valued at €1.1 million, non-amortizable;
- deferred tax liabilities of €-5.0 million.

The Xiring acquisition has been accounted for using the full goodwill method.

Goodwill has been measured as the difference between the following:

(i) the consideration paid for Xiring, which was €62.2 million, and;

the fair value of the non-controlling (i.e. minority) interests, estimated at €5.5 million, less;

(ii) the fair value of the identifiable assets acquired and liabilities assumed, which was €27.5 million.

Goodwill therefore amounts to €40.2 million.

Remeasurement of goodwill

The Group also remeasured the goodwill on Fujian Landi, an entity acquired in July 2008 (see Note 2, *Accounting principles and methods*).

On September 22, 2011, Ingenico Holding Asia (formerly Autogain Hong Kong) signed an amendment to the acquisition agreement which was finalized at the end of November and which resulted in the following:

- Ingenico Holding Asia has acquired an additional 10% stake in Landi;
- the deadline for exercising the put option, which now applies to the remaining 22% held by Landi's minority shareholders, has been extended by one year from May 2012.

This extension, which introduces a substantial change to the terms of the option agreement, has been accounted for as the extinguishment of the liability originally recognized in respect of the Landi put option, which applied to a 32% non-controlling interest prior to acquisition of an additional stake, and the recognition of a new liability in respect of the put option covering the remaining 22% held by Landi's minority shareholders. At the same time, the Group had Landi valued by an independent appraiser, and adopted a different approach to accounting for the put option in accordance with the relevant legal provisions, as set forth in Note 2, Accounting principles and methods.

The outcome was as follows:

- an €11.7 million increase in goodwill was recognized;
- equity attributable to Ingenico SA shareholders was increased by a net amount of €1.8 million;
- the share of the subsidiary's profit or loss attributable to non-controlling interests was recognized since September 22, 2011.

At December 31, 2011, the goodwill recognized for Fujian Landi amounted to €45.8 million.

Impairment losses

Impairment tests conducted in the fourth quarter of 2011 did not lead the Group to recognize any goodwill impairment.

In 2010

The increase in goodwill was due primarily to acquisitions carried out in 2010. The Group acquired Ingenico Prepaid Services France for €6.6 million, Ingenico Services Iberia for €19.1 million, and obtained a controlling interest in Fixed & Mobile Pte. Ltd. for €23.2 million.

Other changes reflected remeasurement of the Group's liabilities under specific clauses in the agreement to acquire the Chinese entity Fujian Landi, which led to a €14 million increase in goodwill, and a €7.2 million downward adjustment to the fair value of easycash assets and liabilities on the opening balance sheet, with a corresponding increase in goodwill.

Impairment tests performed during the fourth quarter of 2010 resulted in an impairment loss on the goodwill of the North America CGU of approximately €21.4 million (see Goodwill impairment tests).

In 2009

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

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

Goodwill impairment tests

Ingenico tested the carrying amounts of goodwill for impairment. This procedure, chiefly based on the after-tax discounted future cash flow method, consists of measuring the recoverable amount of each cash-generating unit (CGU) that generates independent cash flows. These CGUs reflect the Group's current organizational structure as described in Note 7, Segment reporting. Impairment tests are performed every year on November 30th and whenever there is any indication that an asset may be impaired. In accordance with IAS 36, the recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Only in those rare cases in which a recent transaction involving the assets under consideration provides relevant and reliable information does the Group opt for calculating fair value less costs to sell. In most other cases, the Group calculates value in use by estimating cash flow projections based on existing business forecasts for a five-year period, including growth and profitability rates based on reasonable assumptions. Discount rates (based on the weighted average cost of capital) are determined for each CGU based on an analysis of the business segment in which the Group operates. Existing forecasts are based on both past experience and market growth outlook.

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

	2011								
Segments	**SEPA**	**Asia/Pacific**			**North America**	**Latin America**	**Central Europe Middle East Africa**	**Central Operations**	**Total**
Cash-generating units	**SEPA**	**Asia**	**Pacific**	**Total Asia/ Pacific**	**North America**	**Latin America**	**Central Europe Middle East Africa**	**Central Operations**	**Total**
Net carrying amount of goodwill *(in thousands of euros)*	202,794	51,858	2,614	54,472	18,381	6,384	15,740	231,251	529,022
Valuation method for the cash generating unit	Value in use	Fair value less costs to sell (1)	Value in use		Value in use	Value in use	Value in use	Value in use	
Number of years over which cash flows are estimated	5 years		5 years		5 years	5 years	5 years	5 years	
Long-term growth rate	1.00%		1.00%		1.00%	1.00%	1.00%	1.00%	
Weighted average cost of capital used at Dec. 31, 2011	9.79%		12.60%		9.20%	13.18%	13.10%	11.38%	

(1) Based on the acquisition of 10% in Landi in 2011.

	2010														
Segments	**SEPA**								**Asia/Pacific**			**North America**	**Latin America**	**Central Europe Middle East Africa**	**Total**
Cash-generating units	**Northern Europe**	**Germany**	**France**	**Spain**	**Italy**	**Poland**	**Money-line Banking System**	**SEPA**	**Asia**	**Pacific**	**Total Asia/ Pacific**	**North America**	**Latin America**	**Central Europe Middle East Africa**	**Total**
Net carrying amount of goodwill (in thousands of euros)	8,493	227,265	41,830	24,806	11,017	851	-	314,263	57,596	4,371	61,967	46,002	8,339	35,691	466,260
Valuation method for the cash generating unit	Value in use														
Number of years over which cash flows are estimated	3 years														
Long-term growth rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%		2.00%	2.00%		1.00%	2.00%	1.94%	
Weighted average cost of capital used at Dec. 31, 2010	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%		12.15%	12.15%		11.44%	14.10%	12.72%	

	2009														
Segments								**SEPA**			**Asia/Pacific**	**Noth America**	**Latin America**	**Central Europe Middle East Africa**	**Total**
Cash-generating units	**Northern Europe**	**Germany**	**France**	**Spain**	**Italy**	**Poland**	**Money-line Banking System**	**SEPA**	**Asia**	**Pacific**	**Total Asia / Pacific**	**North America**	**Latin America**	**Central Europe Middle East Africa**	**Total**
Net carrying amount of goodwill (in thousands of euros)	8,903	220,004	35,235	5,708	11,017	851	-	281,718	20,160	3,586	23,747	66,527	7,364	34,871	414,227
Valuation method for the cash generating unit								Value in use							
Number of years over which cash flows are estimated								3 years							
Long-term growth rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.94%	1.00%		2.00%	1.00%		1.00%	2.00%	1.94%	
Weighted average cost of capital used at Dec. 31, 2009	11.36%	10.86%	11.16%	11.45%	11.86%	12.72%	11.16%		11.45%	13.18%		11.44%	14.10%	12.72%	

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

The changes in discount rate come from changes in the underlying components: the risk-free rate, the risk premium, and the Beta (the volatility of Ingenico's share price compared with that of the stock exchange as a whole). The long-term growth rate used by the Group does not exceed that of its business sector. The use of a discount rate before tax to before tax cash flows would have led to a similar assessment of the cash generating units.

The Group uses discount rates based on market data for impairment testing. Sensitivity tests show that a 100 basis-point increase in the discount rate would not result in impairment.

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

Other intangible assets

(in thousands of euros)	2011			
	Licenses, trademarks, technology	Development expenses (incurred internally)	Other intagible assets	Total
Gross amount				
At January 1st	**30,386**	**69,605**	**192,580**	**292,570**
Investments	4,034	6,065	6,405	16,504
Disposals	(2,200)	-	(4,788)	(6,988)
Changes in consolidation scope [1]	7,840	0	7,064	14,904
Translation differences	33	132	792	957
Others	1,224	(1,251)	(921)	(948)
At December 31	**41,318**	**74,551**	**201,131**	**317,000**
Accumulated amortization and impairment losses				
At January 1st	**(21,774)**	**(44,622)**	**(69,363)**	**(135,759)**
Investments	(5,071)	(8,679)	(22,595)	(36,345)
Disposals	1,927	-	4,758	6,685
Changes in consolidation scope	(0)	(0)	0	(0)
Translation differences	(62)	(131)	(421)	(614)
Others	(66)	1,118	(66)	985
At December 31	**(25,047)**	**(52,314)**	**(87,687)**	**(165,048)**
Carrying amount				
At January 1st	**8,612**	**24,983**	**123,216**	**156,810**
At December 31	**16,271**	**22,236**	**113,444**	**151,951**

(1) The change in consolidation scope in 2011 reflects the acquisition of Xiring on December 5, 2011.

Amortization expense on intangible assets identified during the allocation of the acquisition price for the 2011 business combinations represented a total of €492 million for the period from December 1, 2011 to December 31, 2011 and concerned Xiring.

The 2011 amortization expense on intangible assets identified during acquisitions was as follows:

	SAGEM			EASYCASH			Others (Moneyline, Turkey, Landi, Ingenico Prepaid Services, Fixed & Mobile, Ingenico Services Iberia, Xiring)					Total amortization for the period
(in thousands of euros)	Carrying amount at December 31, 2010	Amortization in 2011	Carrying amount at December 31, 2011	Carrying amount at December 31, 2010	Amortization in 2011	Carrying amount at December 31, 2011	Carrying amount at December 31, 2010	Acquisitions	Amortization in 2011	Translation differences	Carrying amount at December 31, 2011	
Intangible assets												
Concessions, patents & similar rights												
Hardware and software technology under development	10,290	(3,430)	6,860	-	-	-	-	-	-	-	-	(3,430)
Existing hardware and software technology	1,447	(1,447)	-	3,263	(1,287)	1,976	3,652	6,000	(1,205)	96	8,543	(3,939)
Software applications	5,105	(2,269)	2,836	-	-	-	-	-	-	-	-	(2,269)
Brand name	-	-	-	-	-	-	747	1,400	(600)	(109)	1,438	(600)
Other intangible assets												
Long term customer contracts	26,566	(3,664)	22,902	61,737	(7,751)	53,986	20,061	6,300	(4,221)	372	22,512	(15,636)
TOTAL INTANGIBLE ASSETS	**43,408**	**(10,810)**	**32,598**	**65,000**	**(9,038)**	**55,962**	**24,460**	**13,700**	**(6,026)**	**359**	**32,493**	**(25,874)**
Inventories	-	-	-	-	-	-	-	846	(282)	-	564	(282)
TOTAL IDENTIFIED AND ALLOCATED ASSETS	**43,408**	**(10,810)**	**32,598**	**65,000**	**(9,038)**	**55,962**	**24,460**	**14,546**	**(6,308)**	**359**	**33,057**	**(26,156)**

At December 31, 2011, there was no indication of impairment of other intangible assets.

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

(1) The change in consolidation scope in 2010 primarily reflects the acquisition of a controlling interest in Fixed & Mobile Pte. Ltd. in July 2010, the acquisition of Ingenico Services Iberia on July 19, 2010 and Ingenico Prepaid Services France on May 5, 2010.

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

- an amount of €320,000 for Ingenico Prepaid Services France from June 1, 2010 to December 31, 2010;
- an amount of €315,000 for Fixed & Mobile Pte. Ltd. from July 1, 2010 to December 31, 2010;
- an amount of €529,000 for Ingenico Services Iberia from October 1, 2010 to December 31, 2010.

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

	SAGEM			EASYCASH			AUTRES (Moneyline, Turkey, Landi, Ingenico Prepaid Services, Fixed & Mobile, Ingenico Services Iberia, Xiring)					Total amortization for the period
(in thousands of euros)	Carrying amount at December 31, 2009	Amortization in 2010	Carrying amount at December 31, 2010	Carrying amount at December 31, 2009	Amortization in 2010	Carrying amount at December 31, 2010	Carrying amount at December 31, 2009	Acquisitions	Amortization in 2010	Translation differences	Carrying amount at December 31, 2010	
Intangible assets												
Concessions, patents & similar rights												
Hardware and software technology under development	13,720	(3,430)	10,290	-	-	-	-	-	-	-	-	(3,430)
Existing hardware and software technology	7,233	(5,786)	1,447	4,550	(1,287)	3,263	1,900	2,843	(1,136)	46	3,652	(8,210)
Software applications	7,374	(2,269)	5,105	-	-	-	-	-	-	-	-	(2,269)
Brand name	-	-	-	-	-	-	1,725	58	(1,182)	146	747	(1,182)
Other intangible assets												
Long term customer contracts	30,230	(3,664)	26,566	69,488	(7,751)	61,737	7,396	14,239	(2,289)	715	20,061	(13,704)
TOTAL INTANGIBLE ASSETS	**58,557**	**(15,149)**	**43,408**	**74,038**	**(9,038)**	**65,000**	**11,020**	**17,140**	**(4,607)**	**907**	**24,460**	**(28,795)**
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL IDENTIFIED AND ALLOCATED ASSETS	**58,557**	**(15,149)**	**43,408**	**74,038**	**(9,038)**	**65,000**	**11,020**	**17,140**	**(4,607)**	**907**	**24,460**	**(28,795)**

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

(1) Changes in consolidation scope in 2009 concern principally those arising from the acquisition of easycash on November 30, 2009 and the sale of Sagem Denmark and Manison on June 11, 2009.
The amortization of the intangible assets identified in the purchase price allocation for easycash represented a total of €723,000 for the period from November 30, 2009, to December 31, 2009.

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

	SAGEM			EASYCASH			OTHER (Moneyline, Turkey, Landi)					Total amortization for the period
(in thousands of euros)	Carrying amount at December 31, 2008	Amortization in 2009	Carrying amount at December 31, 2009	Carrying amount at December 31, 2008	Amortization in 2009	Carrying amount at December 31, 2009	Carrying amount at December 31, 2008	Acquisitions	Amortization in 2009	Translation differences	Carrying amount at December 31, 2009	
Intangible assets												
Concessions, patents & similar rights												
Hardware and software technology under development	17,150	(3,430)	13,720	-	-	-	-	-	-	-	-	(3,430)
Existing hardware and software technology	13,019	(5,786)	7,233	4,653	(103)	4,550	2,929	(926)	(5)	(99)	1,900	(6,815)
Software applications	9,643	(2,269)	7,374	-	-	-	-	-	-	-	-	(2,269)
Brand name	-	-	-	-	-	-	3,016	(1,238)	(53)	-	1,725	(1,238)
Other intangible assets												
Long term customer contracts	33,895	(3,663)	30,230	70,108	(620)	69,488	8,853	(1,235)	(222)	-	7,396	(5,518)
TOTAL INTANGIBLE ASSETS	**73,707**	**(15,148)**	**58,557**	**74,761**	**(723)**	**74,038**	**14,797**	**(3,399)**	**(279)**	**(99)**	**11,020**	**(19,270)**
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL IDENTIFIED AND ALLOCATED ASSETS	**73,707**	**(15,148)**	**58,557**	**74,761**	**(723)**	**74,038**	**14,797**	**(3,399)**	**(279)**	**(99)**	**11,020**	**(19,270)**

NOTE 13 PROPERTY, PLANT AND EQUIPMENT

	2011				
(in thousands of euros)	Land and buildings	Plant and equipment	Other assets	Assets in progress	Total
Gross amount					
At January 1st	**2,559**	**51,403**	**32,165**	**295**	**86,422**
Investments	379	6,355	6,912	4,633	18,279
Disposals	(60)	(4,267)	(8,134)	(283)	(12,744)
Changes in consolidation scope	-	875	916	-	1,791
Translation differences	26	82	(486)	(12)	(390)
Others	(3)	(351)	(495)	(2)	(851)
At December 31	**2,901**	**54,097**	**30,878**	**4,631**	**92,507**
Accumulated amortization and impairment losses					
At January 1st	**(1,410)**	**(34,685)**	**(19,052)**	**-**	**(55,147)**
Amortization	314	(9,192)	(6,332)	-	(15,210)
Disposals and impairment losses	(702)	3,985	7,662	-	10,945
Changes in consolidation scope	-	-	-	-	-
Translation differences	(19)	28	304	-	313
Others	-	270	546	-	816
At December 31	**(1,817)**	**(39,594)**	**(16,872)**	**-**	**(58,283)**
Carrying amount					
At January 1st	**1,149**	**16,718**	**13,113**	**295**	**31,275**
At December 31	**1,084**	**14,503**	**14,006**	**4,631**	**34,224**

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

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

NOTE 14 INVESTMENTS IN EQUITY-ACCOUNTED INVESTEES

(in thousands of euros)	Fixed and Mobile Pte Ltd	Roam Data	Korvac	Total
Investments in equity-accounted investees (%) 2009	38.38%	43.92%		
Investments in equity-accounted investees (%) 2010	100.00%	43.92%	49.00%	
Investments in equity-accounted investees (%) 2011	100.00%	43.92%	49.00%	
At January 1st, 2010	**2,023**	**4,764**		**6,787**
Goodwill	38	22	8,938	8,998
Share of net assets	-	-	7,589	7,589
Investment	**38**	**22**	**16,527**	**16,587**
Share of profit or loss	(110)	(1,081)	(480)	(1,671)
Translation differences	157	401	963	1,521
Change in consolidation method (1)	(2,108)	-	-	(2,108)
At December 31, 2010	**-**	**4,106**	**17,010**	**21,116**
Investment	**-**	**-**	**-**	**-**
Share of profit or loss	-	(164)	(3,033)	(3,197)
Translation differences	-	138	208	346
At December 31, 2011	**-**	**4,080**	**14,185**	**18,265**

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

2011

Call options to acquire outstanding shares

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

The fair value of call options to acquire outstanding shares was negligible at the December 31, 2011 reporting date, given that those options have a transaction price at market value.

Subsequent to the balance-sheet date, the Group obtained a controlling interest in ROAM Data and signed an agreement to sell its entire 49% stake in Korvac Holdings Pte. Ltd. (see Note 34, Subsequent events).

Impairment losses

At December 31, 2011, no impairment loss on these investments was recognized in the Group's consolidated financial statements.

2010

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

Accounting method

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

Goodwill

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

Call options to acquire outstanding shares

The call option on ROAM Data shares is not exercisable immediately, and it was not taken into account in determining the percentage of Ingenico's ownership interest, which therefore equals the percentage of rights acquired. The fair value of the call options to acquire the outstanding shares has not varied significantly since the acquisition. This value was negligible at the December 31, 2010 reporting date.

Impairment losses

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

2009

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

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

Accounting method

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

Call options to acquire outstanding shares

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

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

Impairment losses

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

NOTE 15 FINANCIAL ASSETS

At December 31, 2009, 2010 and 2011, financial assets included security deposits and guarantees, equity interests in non-consolidated companies and related receivables.

(in thousands of euros)	2009	2010	2011
Non-current financial assets	3,567	4,561	4,667
TOTAL	**3,567**	**4,561**	**4,667**

NOTE 16 OTHER NON-CURRENT ASSETS

At December 31, 2009, 2010 and 2011, other non-current assets included:

(in thousands of euros)	2009	2010	2011
Receivables	182	314	379
Finance lease receivables	13,493	17,747	17,828
Tax receivables other than current income tax	-	23	2
Income tax receivables (carry-backs)	985	1,110	1,748
Prepayments	71	1,265	396
TOTAL	**14,730**	**20,460**	**20,353**

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

NOTE 17 INVENTORIES

(in thousands of euros)	2009	2010	2011
Raw materials and consumables	17,398	26,780	32,276
Finished products	73,439	97,676	86,037
Write-downs on raw materials and consumables	(3,291)	(4,923)	(7,272)
Write-downs on finished products	(13,316)	(14,036)	(16,142)
NET	**74,230**	**105,497**	**94,899**

The decrease in finished product inventories was due primarily to the high level of sales towards the end of the year. The changes in consolidation scope resulting from the acquisition of Xiring increased inventories by €6.5 million, while currency effects reduced inventories by €-1.4 million.

The increase in write-downs mainly involved products that were supplanted by the new ICT range, along with the related accessories and spare parts.

NOTE 18 TRADE AND RELATED RECEIVABLES

Trade and related receivables break down as follows:

(in thousands of euros)	2009	2010	2011
Advances and down-payments to suppliers	2,170	1,220	2,958
Trade receivables on the sales of goods and services	206,796	251,134	323,805
Finance lease receivables	12,162	8,088	12,690
Employee-related receivables	537	384	(450)
Tax receivables other than current income tax	15,975	15,827	21,529
Current accounts receivables	-	386	839
Other receivables	5,571	1,231	2,188
Write-downs for bad debt	(17,868)	(24,125)	(27,590)
Write-downs for finance lease receivables	-	(8)	(625)
Write-downs for other receivables	(16)	(15)	(15)
TOTAL	**225,327**	**254,123**	**335,329**

The increase in trade receivables is principally due to the high level of sales in the fourth quarter of 2011 and to changes in consolidation scope resulting from entities acquired in 2011 (€8,5 million including €6,4 million for Xiring). Translation differences amount to €0.6 million.

The finance lease receivables concern principally easycash, in an amount of €9.8 million and Ingenico SA in an amount of €2.0 million.

The aging schedule of trade receivables is as follows:

			2011		
	Total	Not due	Overdue		
(in thousands of euros)			< 120 days	120-180 days	> 180 days
Trade receivables	323,805	243,104	45,576	3,303	31,821
Write-downs for bad debt	(27,590)	(314)	(1,938)	(579)	(24,757)
NET	**296,215**	**242,790**	**43,638**	**2,725**	**7,063**

Receivables overdue in excess of 180 days without write-downs (amounting to €7.1 million) are the result of the traditional terminal sales activities in the EEMEA region, where the credit terms taken can be longer than for the Group on average. None of these receivables represents a litigious situation, and the Group does not expect any difficulty in recovering the amounts due.

			2010		
	Total	Not due	Overdue		
(in thousands of euros)			< 120 days	120-180 days	> 180 days
Trade receivables	251,134	170,723	42,895	7,330	30,186
Write-downs for bad debt	(24,125)	(220)	(2,848)	(499)	(20,558)
NET	**227,008**	**170,503**	**40,048**	**6,831**	**9,625**

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

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

The increase in write-downs for doubtful debts in 2009 reflects the inclusion of easycash in the consolidation scope. At December 31, 2009, the easycash Group's share of write-downs for doubtful debts were 68.3% of the total.

NOTE 19 RECONCILIATION OF WORKING CAPITAL ITEMS PRESENTED IN THE BALANCE SHEET AND THE CASH FLOW STATEMENT

		2011				
Balance sheet item		31/12/2010	Changes in consolidation scope	Net Change in working capital	Translation differences and other movements	31/12/2011
Inventories		**105,497**				94,899
Including working capital items		105,497	6,579	(15,795)	(1,382)	94,899
Changes in inventories in the cash-flow statement	**(1)**	**105,497**	**6,579**	**(15,795)**	**(1,382)**	**94,899**
Other non-current assets		**20,460**				**20,353**
Including working capital items	Other non-current assets	19,350	1,237	(1,946)	(37)	18,604
Including non-WC items	*Other non-operating receivables*	1,110				1,749
Trade and related receivables		**254,123**				**335,329**
Including working capital items	Trade receivables	236,311	8,843	65,576	507	311,239
Including working capital items	Other operating receivables	17,812	1,149	5,345	(216)	24,090
Including non-WC items	*Other non-operating receivables*	-				-
Other current assets		**7,440**				**11,209**
Including working capital items	Other operating receivables	7,146	398	3,274	74	10,892
Including non-WC items	*Other non-operating receivables*	294				317
Change in receivables in the cash-flow statement	**(2)**	**280,619**	**11,627**	**72,249**	**330**	**364,825**
Other non-current liabilities		**15,531**				**11,869**
Including working capital items	Trade payables	10,498	746	(11)	134	11,367
Including non-WC items	*Other non-operating liabilities*	5,033				502
Trade and related payables		**267,730**				**297,332**
Including working capital items	Trade payables	207,692	6,823	14,245	(1,716)	227,044
Including working capital items	Other current liabilities	60,025	1,042	8,650	521	70,238
Including non-WC items	*Other non-operating liabilities*(1)	13				51
Other liabilities		**73,816**				**79,855**
Including working capital items	Other liabilities	36,106	4,093	3,601	216	44,016
Including non-WC items	*Other non-operating liabilities*(1)	37,710				35,839
Change in liabilities in the cash-flow statement	**(3)**	**314,321**	**12,704**	**26,485**	**(845)**	**352,665**
Change in net working capital	**-(1)-(2)+(3)**	**(71,796)**	**(5,502)**	**(29,969)**	**207**	**(107,060)**

(1) Puts option of Fujian Landi and Fixed & Mobile Pte. Ltd.. (see Note 31, Other liabilities).

Balance sheet item		31/12/2009	2010 Changes in consolidation scope	2010 Net Change in working capital	2010 Translation differences and other movements	31/12/2010
Inventories		**74,230**				105,497
Including working capital items		74,230	364	22,902	8,001	105,497
Changes in inventories in the cash-flow statement	(1)	**74,230**	**364**	**22,902**	**8,001**	**105,497**
Other non-current assets		**14,730**				**20,460**
Including working capital items	Other non-current assets	13,746	1,066	4,415	124	19,350
Including non-WC items	*Other non-operating receivables*	*985*				*1,110*
Trade and related receivables		**225,327**				**254,123**
Including working capital items	Trade receivables	203,260	15,151	16,818	1,083	236,311
Including working capital items	Other operating receivables	19,559	4,463	(7,211)	1,001	17,812
Including non-WC items	*Other non-operating receivables*	2,508				-
Other current assets		**5,825**				7,440
Including working capital items	Other operating receivables	5,085	2,558	(683)	186	7,146
Including non-WC items	*Other non-operating receivables*	*739*				*294*
Change in receivables in the cash-flow statement	(2)	**241,650**	**23,239**	**13,337**	**2,394**	**280,619**
Other non-current liabilities		**10,385**				*15,531*
Including working capital items	Trade payables	6,571	333	2,127	1,468	10,498
Including non-WC items	*Other non-operating liabilities*	3,814				5,033
Trade and related payables		**188,162**				**267,730**
Including working capital items	Trade payables	133,622	25,074	46,399	2,770	207,692
Including working capital items	Other current liabilities	53,562	3,416	595	2,452	60,025
Including non-WC items	*Other non-operating liabilities*	*978*				*13*
Other liabilities		**47,758**				**73,816**
Including working capital items	Other liabilities	28,625	151	3,288	4,041	36,106
Including non-WC items	*Other non-operating liabilities*	*19,133*				*37,710*
Change in liabilities in the cash-flow statement	(3)	**222,380**	**28,974**	**52,410**	**10,730**	**314,321**
Change in net working capital	-(1)-(2)+(3)	**(93,500)**	**5,372**	**16,171**	**335**	**(71,796)**

			2009			
Balance sheet item		31/12/2008	Changes in consolidation scope	Net Change in working capital	Translation differences and other movements	31/12/2009
Inventories		**77,211**				**74,230**
Including working capital items		77,211	(4,695)	(2,578)	4,292	74,230
Changes in inventories in the cash-flow statement	**(1)**	**77,211**	**(4,695)**	**(2,578)**	**4,292**	**74,230**
Other non-current assets		**1,030**				**14,730**
Including working capital items	Other non-current assets	705	13,547	(510)	4	13,746
Including non-WC items	*Other non-operating receivables*	*324*				*985*
Trade and related receivables		**177,390**				**225,327**
Including working capital items	Trade receivables	165,041	24,282	9,519	4,419	203,260
Including working capital items	Other operating receivables	12,350	1,220	5,932	56	19,559
Including non-WC items	*Other non-operating receivables*	-				*2,508*
Other current assets		**3,577**				**5,825**
Including working capital items	Other operating receivables	3,536	552	866	131	5,085
Including non-WC items	*Other non-operating receivables*	*41*				*739*
Change in receivables in the cash-flow statement	**(2)**	**181,631**	**39,601**	**15,808**	**4,610**	**241,650**
Other non-current liabilities		**4,827**				**10,385**
Including working capital items	Trade payables	4,535	4	774	1,258	6,571
Including non-WC items	*Other non-operating liabilities*	*291*				*3,814*
Trade and related payables		**153,960**				**188,162**
Including working capital items	Trade payables	103,184	11,671	12,245	6,522	133,622
Including working capital items	Other current liabilities	31,878	2,976	18,128	580	53,562
Including non-WC items	*Other non-operating liabilities(1)*	*18,898*				*978*
Other liabilities		**47,880**				**47,758**
Including working capital items	Other liabilities	47,800	(971)	(19,711)	1,507	28,625
Including non-WC items	*Other non-operating liabilities(1)*	*80*				*19,133*
Change in liabilities in the cash-flow statement	**(3)**	**187,397**	**13,681**	**11,437**	**9,866**	**222,380**
Change in net working capital	**-(1)-(2)+(3)**	**(71,446)**	**(21,225)**	**(1,794)**	**965**	**(93,500)**

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

NOTE 20 CURRENT TAX RECEIVABLES AND OTHER CURRENT ASSETS

(in thousands of euros)	2009	2010	2011
Prepayments	5,085	7,146	10,893
Loans, securities and other receivables	739	294	316
TOTAL	**5,825**	**7,440**	**11,209**
Current tax receivables	9,456	10,582	9,359

NOTE 21 ASSETS HELD FOR SALE AND LIABILITIES IN DISPOSAL GROUPS

At the December 31, 2011 reporting date, the Group was engaged in negotiations to dispose of its holding in Korvac. But because of the accounting method adopted, no separate disclosures as prescribed by IFRS 5 have been made. The relevant information can be found in Note 14, Investments in equity-accounted investees. The transaction was carried out on February 5, 2012 (see Note 34, Subsequent events).

NOTE 22 TOTAL EQUITY

Number of outstanding shares :

	2009	2010	2011
Shares issued at January 1st	**47,791,674**	**48,637,135**	**51,511,971**
Shares issued in connection with options exercised and dividend distributions	845,461	507,349	468,332
Shares issued in connection with the capital increase reserved to employees	-	172,417	-
Shares issued in connection with the capital increase by incorporation of reserves	-	2,445,070	-
Shares canceled in connection with the capital reduction scheme	-	(250,000)	-
Shares issued at December 31	**48,637,135**	**51,511,971**	**51,980,303**
Treasury shares at December 31	1,361,958	875,443	868,484

2011

At December 31, 2011, Ingenico's authorized share capital consisted of 51,980,303 shares with a par value of €1 each.

2010

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

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

Treasury shares

(in euros)	2010	Acquisitions	Disposals	Other	2011
Number of shares	875,443	2,117,238	(1,856,447)	(267,750)	868,484
Average purchase price	16.73	28.28	28.40	15.39	20.36
TOTAL	**14,645,220**	**59,875,178**	**(52,717,417)**	**(4,119,519)**	**17,683,462**

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

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

Shares repurchased to be awarded or retired

In 2011, two delegations were used by the Board:

- the first given by the Shareholders' Meeting of May 11, 2010, replacing that of May 15, 2009 (implemented by a decision of the Board on the same day);
- the second given by the Shareholders' Meeting of April 28,2011, replacing that of May 11, 2010 (implemented by a decision of the Board on the same day).

The portfolio of treasury shares held to be awarded under free share plans or to reduce the share capital totaled 823,699 treasury shares at December 31, 2010. At December 31, 2011, there were 768,989 treasury shares at an average purchase price of €19.46, reflecting the buyback of 213,040 shares in 2011 and the use of 267,750 shares to meet obligations to beneficiaries of free share plans vested during the year.

In 2010, the portfolio amounted to 1,166,780 treasury shares at December 31, 2009 and to 823,699 treasury shares at December 31, 2010, after the transfer of 636,000 shares to holders of free share awards at the end of the vesting period, the allocation of 39,973 shares on July 30, 2010 (following a capital increase by way of incorporation of share premium), the purchase of 582,000 shares, the cancelation of 250,000 shares by reduction of capital, and 79.054 shares invested in the joint investment plan.

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

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

Shares repurchased under the liquidity contract entered into in 2004

In 2011, 1,904,198 shares were repurchased at an average price of €28.41 and 1,856,447 shares were sold at an average price of €28.40.

The treasury share portfolio allocated to the liquidity contract represented 99,495 shares at December 31, 2011.

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

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

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

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

Stock subscription option plans and free share awards

Plans in force at December 31, 2011

The main features of the plans in force at December 31, 2011 are as follows:

a) Stock subscription option plans

On May 4, 2000 and October 18, 2004, the shareholders authorized the Board of Directors to grant a certain number of employees share subscription options to during periods of five years and 24 months, respectively. Six tranches of stock subscription options were allocated from April 15, 2003 to September 20, 2005.

In 2007, following an adjustment made to reflect the payment of a dividend out of the share premium account, 3,904 additional options were awarded to the grantees who had not yet exercised their option by June 27, 2007 (date of the Board meeting during which the adjustment calculation was approved).

In 2010, following the adjustment to take into account of the share capital increase by incorporation of retained earnings, 11,457 additional options were granted to those beneficiaries who had not yet exercised their options as of May 11, 2010 (date of the Board decision for the share capital increase).

Subscription period of Tranche A closed on April 2011.

Tranches B, E and D were subscribed and closed in 2005, 2007 and 2008.

No new stock option plan was set up during 2011.

Following the adjustments in 2007 and 2010, and subscriptions in 2011, the number of outstanding options totaled 35,073 at December 31, 2011 and are relating to Tranche C, F and H.

Tranche A

In accordance with the delegation of power granted by the Board of Directors on March 18, 2003, the Chairman of the Board allocated a first tranche of options on April 15, 2003, called Tranche A. The Chairman listed the beneficiaries of Tranche A, the number of options to be allocated to each beneficiary and the subscription price. The subscription price for Tranche A was set at €5.67, the equivalent of 95% of the share's average opening price over the twenty trading days preceding the grant date (April 15, 2003). Following the payment of a dividend with free shares, this price was adjusted to €5.64 in 2007. This stock subscription option plan terminated in 2011.

Tranche C

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

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

This stock subscription option plan will terminate in 2012.

Tranche F

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

This stock subscription option plan will terminate in 2012.

Tranche H

On September 20, 2005, the Board of Directors allocated a new tranche of options, as of October 19, 2005, called Tranche H. The Board listed the beneficiaries of Tranche H, the number of options to be allocated to each beneficiary and the subscription price. The subscription price for Tranche H was set at €11.62, the equivalent of the share's average opening price over the twenty trading days preceding the grant date, with no discount. In 2007, the subscription price was adjusted to €11.56. It was again modified in 2010, to €11.01, after the share capital increase by incorporation of retained earnings.

This stock subscription option plan will terminate in 2013.

b) Free share awards

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

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

On December 14, 2005, 100,000 free shares awards were made to the Chief Executive Officer, Mr. Amedeo d'Angelo, in quarterly allotments, i.e. one fourth at the end of each quarter in 2006. As at December 31, 2005 65,000 shares were awarded including 10,000 shares to the Chairman and 50,000 to the Chief Executive Officer.

On March 15, 2006, the Board of Directors decided to set up a free share award program for key Company executives. On this basis, 635,000 free shares were awarded in several subgroups to 41 beneficiaries. Out of this total, 150,000 share awards were allocated to members of the Executive Board.

The shares vest after a two-year period, provided that on that date, the beneficiaries are still employed by the Ingenico Group. The shares must be held by the beneficiaries for an additional two-year period following vesting.

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

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

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

100,000 shares were created in 2007 by incorporation of the share premium account to meet the Company's obligations to Mr. Amedeo d'Angelo under a free share program for which the vesting period expired on December 14, 2009 (see above).

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

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

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

On March 30, 2010, the Board of directors decided to grant a further 37,555 free share awards.

At December 31, 2010, a total of 364,486 free share awards had been outstanding.

No new free share award program was set up during 2011.

Following the cancelation of 28,427 free share awards and the vesting during the period of 267,750 free shares awarded to plan beneficiaries, a total of 68,309 free shares were outstanding at December 31, 2011.

c) Joint investment plan

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

This plan takes the form of an agreement with the beneficiaries, under which a variable number of free shares will be granted, subject to a number of conditions; namely, the decision to subscribe, continued presence within the Group, and level of performance (internal and external).

The subscription period for tranche 1 ended on April 15, 2010. The Board Meeting held on May 11, 2010 fixed the number of shares subscribed at 79,054, and the maximum number of shares which could be awarded at a subsequent date at 553,378.

At December 31, 2011, the maximum was 474,640 awards, following the share capital increase by incorporation of retained earnings (27,650 additional free shares) decided by the board held on May 11, 2010 and the cancelation of 32,728 awards in 2010 and 73,660 in 2011.

Tranches 2 and 3 will be implemented subsequent to December 31, 2011.

Change in option and share award plans in the period

	2011						
	Options/shares outstanding at January 1	Options/shares granted during the year	Options/shares exercised during the year	Options/shares cancelled or expired, other movements	Existing options/ shares at December 31 (1)	Weighted average life *(in years)*	Weighted average exercise price *(in €)*
Tranche A (closed)	16,121	-	13,902	2,219	-	8	
Tranche B (closed)	-	-	-	-	-	8	
Tranche C	2,271	-	159	1,056	1,056	8	€10.36
Tranche D (closed)	-	-	-	-	-	8	
Tranche E (closed)	-	-	-	-	-	8	
Tranche F	23,305	-	6,788	2,111	14,406	8	€11.07
Tranche H	33,167	-	8,278	5,278	19,611	8	€11.01
Free shares	364,486	-	267,750	28,427	68,309		€0
Joint investment plan	548,300	-	-	73,660	474,640		€0
TOTAL	**987,650**	**-**	**296,877**	**112,751**	**578,022**		

(1) Including 35.073 exercisable at 31 December 2011.

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

(1) Including 74.864 exercisable at December 31, 2010.

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

(1) Including 281.991 exercisable at December 31, 2009.

Fair value of options granted

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

For stock options:

No expense has been recognized since 2009 in connection with the award of stock options, since the vesting periods for all plans expired in 2008.

For free share awards:

Fair value is equal to the share price at the grant date.

Impact on the financial statements

2011

On the basis of the parameters used to calculate the fair value of free shares awarded under free share and joint investment plans, and after the internal valuation criteria (fulfillment of service conditions and possibly performance conditions) were re-estimated, an expense of €4,291,000 was recognized in respect of 2011 in Profit from operations.

2010

Expense of €5,282,000 and €329,000 was recognized in Profit from operations and Other operating expenses, respectively in connection with the award of free shares, the joint investment plan, and the employee benefit represented by the 20% discount granted to those who subscribed to the ISOP plan during 2010.

2009

Expense of €6,663,000 was recognized in Profit from operations in connection with the award of free shares.

NOTE 23 EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to Ingenico SA. shareholders by the average number of ordinary shares outstanding during the year, excluding ordinary shares repurchased by the Group and held as treasury shares. The average number of ordinary shares is a weighted annual average calculated by adjusting the shares in issue at the beginning of the period for the number of shares bought back or issued during the period, prorated on the basis of the transaction dates.

(in thousand of euros)	2009	2010	2011
Net profit or loss attributable to Ingenico SA shareholders	26,840	39,575	56,489
Weighted average number of ordinary shares	46,670,139	48,905,699	50,973,455
Basic earnings per share	**0.58**	**0.81**	**1.11**

Diluted earnings per share

To calculate diluted earnings per share, the weighted average number of ordinary shares is adjusted to take into account the impact of the potential conversion of all dilutive instruments.

At December 31, 2011, dilutive instruments comprised stock subscription options, free share awards and OCEANE-type bonds (convertible into or exchangeable for new or existing shares).

(in thousands of euros)	2009	2010	2011
Net profit or loss attributable to Ingenico SA shareholders	**26,840**	**39,575**	**56,489**
Diluted net profit or loss attributable to Ingenico SA shareholders	**26,840**	**39,575**	**63,396**
Weighted average number of ordinary shares	**46,670,139**	**48,905,699**	**50,973,455**
Impact of dilutive instruments:			
Exercise of stock options and free share awards	854,736	765,780	536,968
Conversion of convertible bonds	-	-	6,677,350
Diluted weighted average number of ordinary shares	**47,524,875**	**49,671,479**	**58,187,772**
Diluted earnings per share	**0.56**	**0.80**	**1.09**

NOTE 24 NET DEBT

Net debt of the Group consists of current and non-current financial borrowings and debt, less other current investments and cash and cash equivalents.

(in thousands of euros)	2009	2010	2011
Cash and cash equivalents	91,205	158,937	347,602
Financial borrowings and debt	(235,645)	(268,004)	(457,254)
Net debt	**(144,440)**	**(109,067)**	**(109,652)**

Breakdown of cash and cash equivalents and other investments

(in thousands of euros)	2009	2010	2011
Cash and cash equivalents	66,570	136,225	260,878
UCITS classified as cash	24,635	22,712	86,724
Cash and cash equivalents	**91,205**	**158,937**	**347,602**
UCITS and other short-term investments classified as investments	-	-	-
Cash and cash equivalents and other investments	**91,205**	**158,937**	**347,602**

The change in short-term investments (including UCITS) and other investments classified as cash equivalents or other investments is broken down as follows:

(in thousands of euros)	2009	2010	2011
Balance at January 1	**101,133**	**24,636**	**22,713**
Increase/Purchases	2,953	-	60,394
Decrease/Sales	(79,415)	(2,123)	(2,500)
Translation differences	33	-	-
Other movements	(68)	200	6,118
Balance at December 31	**24,636**	**22,713**	**86,724**

UCITS are classified as cash equivalents when they meet the criteria of IAS 7. Otherwise, they are classified as other investments.

Breakdown of financial borrowings and debt

Financial liabilities may be broken down into long-term and short-term liabilities. The latter include the portion of less than one year of long-term debt as well as financial liabilities with a term of less than one year.

(in thousands of euros)	2009	2010	2011
Bond loans	-	-	213,637
Bank borrowings	206,352	219,704	207,790
Finance lease obligations	9,018	8,924	6,011
Other financial liabilities		147	125
Non-current borrowings and long-term debt	**215,370**	**228,775**	**427,563**
Bank and similar borrowings	596	20,832	5,630
Finance lease obligations	4,904	4,558	3,572
Bank overdrafts and other financial liabilities	14,775	13,838	20,489
Short-term borrowings	**20,275**	**39,228**	**29,691**
TOTAL FINANCIAL BORROWINGS AND DEBT	**235,645**	**268,004**	**457,254**

1) Bank borrowings

2011

At December 31, 2011, long- and short-term bank borrowings amounted to €427.1 million, including €421.4 million in respect of the syndicated loan facility renegotiated on August 5, 2011 and a convertible bond issued on March 11, 2011.

Syndicated loan

A €360 million variable-rate syndicated loan facility put in place on August 5, 2011 to replace the former facility contracted in 2009 to finance the easycash acquisition. The facility is now structured as follows:

- a first tranche of €210 million with a final maturity at September 5, 2016, fully drawn down on August 10, 2011. This loan is repayable in installments beginning March 31, 2013: €26.3 million every six months until September 30, 2013, then €52.5 million each twelve months until August 5, 2016;
- a second tranche represented by a €150 million revolving credit facility redeemable at maturity, which had not been drawn down at December 31, 2011.

The syndicated loan contracted in 2011 includes covenants relating to the respect of certain financial ratios which are subject to review every six months on the basis of pro forma consolidated financial statements:

- the net debt to equity ratio must be less than 80%;
- net debt must be less than 2.5 times EBITDA.

There are also a number of standard legal covenants.

The ratios were respected at December 31, 2011.

Outstanding amount due under this loan was €207.8 million at December 31, 2011.

The principal contractual terms of the syndicated loan are set out in Note 4.1 Liquidity and counterparty risks.

Bond loan

The Group has proceeded with the issue of bonds with an option of conversion and/or exchange in new or existing Ingenico shares (OCEANES), with the dividend date of March 11, 2011 and due date of January 1, 2017. The nominal amount of the loan amounts to €250 million and it is represented by 6,677,350 bonds at a nominal unit value of €37.44. The bonds have an annual nominal interest value of 2.75%. The interest rate, after deduction of debt issuance costs and re-classification of the share capital component of the loan is 6.22%.

This operation results in an information notice which has obtained the approval no. 11–062 from the Financial Markets Authority on March 3, 2011.

Conversion and/or exchange of bonds into shares

Bondholders may request that the bonds be converted into and/or exchanged for ordinary shares of the company at any time as of the issuance date (March 11, 2011) and until the 7th business day preceding the maturity or early redemption date, at a ratio of one share per bond, subject to the adjustments set forth in the prospectus.

The issuer may at its option deliver new shares or existing shares or a combination of both.

Redemption at maturity

Bonds will be redeemed in full on January 1, 2017, at a pair value.

Early redemption at the option of the Company

Early redemption is possible, at the option of the Company:

- for all or a portion of the bonds, at any time and without any limit on price or quantity, by means of repurchases on the stock exchange or not, or by offer of repurchase or exchange;
- at any time, starting from January 15, 2015 until the maturity date of the bonds, for all outstanding bonds subject to a notice of at least 30 calendar days, by pair reimbursement increased by accrued interest, if the arithmetic average, calculated over 20 consecutive trading days among the 30 that precede the publication of the anticipated notice of reimbursement, of revenues of 1st quoted share prices of the Company noted on Euronext Paris and of shares allocation ratio in force at each date, exceeds 130% of the nominal value of bonds;
- at any time, for all outstanding bonds subject to a notice of at least 30 calendar days, by reimbursement, to the pair increased by accrued interest, if their outstanding number is lower than 10% of the number of issued bonds.

Early redemption at the option of the bondholders

In case of change of control of the Company, all bondholders may request the full or partial reimbursement of their bonds, at pair plus interest accrued since the last date of payment of interest until the date set for anticipated reimbursement.

Early repayment

The OCEANE prospectus dated March 5, 2011 contains the usual provisions for early repayment at the option of the representative of all bondholders, especially in case of default of payment by the Company of any amount due, by way of any bond at the due date, in case of default for non-payment beyond a minimum threshold of breaching any loans or debt guarantees of the Company or an important subsidiary, in case of non-execution by the Company of any other stipulation relating to bonds, in case of liquidation, dissolution or total transfer of assets from the Company, as well as in case of ordinary shares of the Company shall no longer be admitted to trading on Euronext Paris or on another market regulated by the European Union.

Allocation of the OCEANE between equity and financial liabilities

The fair value of the debt corresponding to the liability on the balance sheet, as well as the part allocated to equity are calculated based on the issue date of the OCEANE, which is March 11, 2011.

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

Given that OCEANE is issued at a nominal interest rate of 2.75% lower than the market price (for a period, the comparable financial rate is 5.89% on the basis of an interpolated mid swap of 3.14%), the fair value of the debt component is equal to €208.8 million and to €37 million for the optional component, after taking in account the cost of the "investors" put and the assignment of issuance costs (€4.1 million prorated between the debt and equity).

On December 31, 2011, the value of the debt component on the balance sheet amounts to €213.6 million.

2010

At December 31, 2010, long- and short-term bank borrowings amounted to €240.5 million, including €238.8 million in respect of the syndicated loan obtained in September 2009 to finance the acquisition of the easycash group and the additional loan obtained by the parent company to finance other acquisitions. Outstanding amounts due under these two loans were €206 million and €32.9 million, respectively, net of costs incurred of €5.8 million.

2009

In the first half of 2009, Ingenico repaid the Tranche A of the financing facility that had been set up in 2007, from which €60 million was drawn down in December 2008.

At December 31, 2009, bank borrowings totaled €206.4 million net of €3.6 million of debt issuance costs. This amount corresponds to the loan contracted by the parent company in September 2009 to finance the easycash acquisition.

2) Bank overdrafts

At December 31, 2011, bank overdrafts totaled €19.7 million, mainly for easycash GmbH (€16.7 million).

At December 31, 2010, bank overdrafts totaled €13.4 million, mainly for easycash GmbH.

At December 31, 2009, bank overdrafts totaled €14.8 million and included bank overdrafts of €2.7 million for Ingenico do Brasil and €11.4 million for easycash GmbH.

3) Finance lease obligations

At December 31, 2011, finance lease obligations concern easycash GmbH for €8.3 million and Ingenico Italia, for €1.3 million.

Principal terms of financial borrowings and debt

Interest rates and maturities

(in thousands of euros)		Carrying amount	Average annual rate	2011 Less than 1 year	1-2 years	2-5 years	More than 5 years
Bond loans	Ingenico SA	213,637	2.75%	-	-	213,637	-
	TOTAL	**213,637**		**-**	**-**	**213,637**	**-**
Bank borrowings	Ingenico SA	207,781	3 months Euribor + 110 pts	5,560	54,999	147,222	-
	Baracoda	9	3.75%	9	-	-	-
	TOTAL	**207,790**		**5,569**	**54,999**	**147,222**	**-**
Finance lease obligations	Ingeserve CO	13	7.47%	13	-	-	-
	Italia SpA	1,288	Euribor + rate ranging from 0.7% to 1.7%	714	321	253	-
	easycash GmbH	8,273	4.772%	2,841	1,958	3,474	-
	easycash Loyalties	10	1.808%	8	2		-
	TOTAL	**9,584**		**3,576**	**2,281**	**3,727**	**-**
Bank overdrafts	Ingenico SA	35	Eonia + rate ranging from 0.35% to 0.6%	35	-	-	-
	Ingenico Do Brazil Ltda	2,897	13.25%	2,897	-	-	-
	easycash GmbH	16,737	Eonia + 2.5%	16,737	-	-	-
	TOTAL	**19,670**		**19,670**	**-**	**-**	**-**
Other financial liabilities	Ingenico Prepaid Services France	119		-	-	119	-
	Xiring	7		7	-	-	-
	Ingenico Services Iberia	270		-	-	-	270
	Fixed & Mobile Pte Ltd	458		458	-	-	-
	Transfer to Inc.	89		89	-	-	-
	TOTAL	**943**		**554**	**-**	**119**	**270**
Accrued interest on borrowings	Ingenico SA	5,568	3 months Euribor + 110 pts	5,568	-	-	-
	Xiring	2		2	-	-	-
	Ingenico Do Brazil Ltda	46		46	-	-	-
	Ingenico Services Iberia	14		14	-	-	-
	TOTAL	**5,630**		**5,630**	**-**	**-**	**-**
TOTAL FINANCIAL BORROWINGS AND DEBT		**457,254**		**34,999**	**57,280**	**364,705**	**270**

				2010			
(in thousands of euros)		Carrying amount	Average annual rate	Less than 1 year	1-2 years	2-5 years	More than 5 years
Bank borrowings	Ingenico SA	238,833	3 months Euribor + 200 pts	19,129	40,249	179,455	-
	Ingenico Services Iberia	56	5.25%	56	-	-	-
	Landi	888	4.02%	888	-	-	-
	Fixed & Mobile Pte	519	2.50%	519	-	-	-
	TOTAL	**240,296**		**20,592**	**40,249**	**179,455**	
Finance lease obligations	Iberia	209	State subsidized loan at 0%	53	-	156	-
	Ingenico Services Iberia	17	Euribor + 1.15%	-	8	8	-
	Italia SpA	932	Euribor + 0.627%	433	228	271	-
	easycash GmbH	12,214	5.46%	3,972	3,792	4,450	-
	easycash Loyalties	110	6.83%	100	8	2	-
	TOTAL	**13,482**		**4,558**	**4,036**	**4,887**	
Bank overdrafts	Ingenico SA	36	Eonia +0.35%	36	-	-	-
	Ingenico Ventures	3	Eonia +0.35%	3	-	-	-
	Ingenico Data Systems SA	1	Eonia +0.35%	1	-	-	-
	easycash GmbH	13,340	Eonia + 2.5%	13,340	-	-	-
	TOTAL	**13,380**		**13,380**			
Other financial liabilities	Ingenico Prepaid Services France	148		-	21	127	-
	Ingenico Services Iberia	265		265	-	-	-
	Fixed & Mobile Pte Ltd	167		167	-	-	-
	Transfer To Inc.	25		25	-	-	-
	TOTAL	**605**		**457**	**21**	**127**	
Accrued interest on borrowings	Ingenico SA	227	3 months Euribor + 200 pts	227	-	-	-
	Ingenico Services Iberia	13	5.25%	13	-	-	-
	TOTAL	**240**		**240**			
TOTAL FINANCIAL BORROWINGS AND DEBT		**268,004**		**39,227**	**44,307**	**184,469**	

(in thousands of euros)		Carrying amount	Average annual rate	2009 Less than 1 year	2009 1-2 years	2009 2-5 years	2009 More than 5 years
Bank borrowings	Ingenico SA	206,352	3 months Euribor + 200 pts	23,579	38,579	144,194	-
	Landi	44	5.103% fixed rate	44	-	-	-
	TOTAL	**206,396**		**23,623**	**38,579**	**144,194**	
Finance lease obligations	Ingenico SA	1		-	-	1	-
	Ingenico Iberia	541	7% for the part < 1 year State subsidized loan at 0% for the part > 1 an	288	97	147	9
	Italia SpA	1,175	3 months Euribor + 250 pts	504	480	191	-
	easycash GmbH	12,204	6.50%	4,112	3,170	4,922	-
	TOTAL	**13,921**		**4,904**	**3,747**	**5,261**	**9**
Bank overdrafts	Ingenico SA	393	Eonia + rate ranging from 0.30% to 0.60%	393	-	-	-
	Ingenico Do Brasil Ltda	2,714	Brazil Central Bank rate (CDI) + 20.64%	2,714	-	-	-
	Ingenico UK	271		271	-	-	-
	Ingenico Data Systems SA	1		1	-	-	-
	easycash GmbH	11,397		11,397	-	-	-
	TOTAL	**14,776**		**14,776**			
Accrued interest on borrowings	Ingenico SA	552	3 months Euribor + 200 pts	552	-	-	-
	TOTAL	**552**		**552**			
TOTAL FINANCIAL BORROWINGS AND DEBT		**235,645**		**43,855**	**42,326**	**149,455**	**9**

Breakdown by currency

The following table shows the breakdown of financial borrowings and debt by currency:

	2009	2010	2011
Euro	232,616	266,404	453,859
British pound	271	1,599	12
US Dollar	-	-	248
Other currencies	2,758	-	3,136
TOTAL DEBT	**235,645**	**268,004**	**457,254**

All amounts shown at their euro equivalent.

Change in financial borrowings and debt

Change in financial borrowings is broken down as follows:

Balance at January 1, 2009	**68,167**
New borrowings	210,741
Repayments	(190,995)
Net change in drawdowns on lines of credit	(4,375)
Translation differences	1,942
Other movements	(4,439)
Changes in consolidation scope	154,605
Balance at December 31, 2009	**235,645**
New borrowings	34,257
Repayments	(5,934)
Net change in drawdowns on lines of credit	(1,610)
Translation differences	278
Other movements	644
Changes in consolidation scope	4,723
Balance at December 31, 2010	**268,004**
New borrowings	478,277
Repayments	(258,719)
Net change in drawdowns on lines of credit	5,634
Translation differences	(122)
Other movements	(36,993)
Changes in consolidation scope	1,173
Balance at December 31, 2011	**457,254**

New borrowings mainly involve the issue of convertible bonds and the syndicated loan facility renegotiated on August 5, 2011 to replace the former syndicated loan facility put in place in 2009 to finance the acquisition of easycash.

Repayments mainly involve the repayment of the syndicated loan facility put in place in 2009 and the repayment of the additional €34 million loan contracted by the parent company to finance further acquisitions.

Other movements reflect the reclassification of the equity component of the OCEANE bonds.

NOTE 25 DERIVATIVE FINANCIAL INSTRUMENTS

Fair value of derivative instruments at the reporting date

	Interest rate hedging instruments			Foreign exchange hedging instruments		
(in thousands of euros)	2009	2010	2011	2009	2010	2011
Current assets	147	439	-	3,286	3,022	6,861
Current liabilities	(78)	-	(2,072)	(728)	(2,216)	(1,698)
TOTAL	**69**	**439**	**(2,072)**	**2,558**	**807**	**5,163**

Breakdown of instruments by hedging policy

(in thousands of euros)	2009	2010	2011
Instruments designated as cash flow hedges			
Foreign exchange forward contracts	1,010	(57)	2,555
Foreign exchange options	627	488	498
Foreign exchange swaps	-	-	1,402
Interest rate swaps	-	-	(1,441)
Interest rate options (cap)	69	439	-
Instruments not designated as cash flow hedges			
Foreign exchange forward contracts	458	-	-
Foreign exchange swaps	-	-	708
Interest rate swaps	463	376	-
Interest rate options (cap)	-	-	(631)
TOTAL	**2,627**	**1,246**	**3,091**

Changes in the fair value of non-qualifying hedged instruments or the ineffective portions of hedging instruments are recognized directly in profit or loss under “Net finance costs”. They mainly reflect the effect of interest rate differentials between the currency of the hedged items and the euro.

Interest rate caps are recognized at fair value when the contract is entered into, being the total of their intrinsic value and their time value. The initial intrinsic fair value of interest rate caps is subsequently amortized as the strike premiums fall due, or on a straight-line basis when the premiums are payable immediately. At each reporting date, the difference between the fair value of the intrinsic value and the carrying amount of its initial fair value is recognized in equity, while the remeasurement of the time value to fair value is recognized in profit or loss.

The Group entered into an interest rate swap, with the result that the interest rate cap became ineffective and no longer qualified for hedge accounting.

NOTE 26 PROVISIONS FOR RETIREMENT BENEFIT OBLIGATIONS

The Group has defined benefit plans in the following countries:

- France – Retirement indemnities
- United-Kingdom – Pension plan
- Germany – Pension plan
- Italy – Retirement indemnities ('TFR')
- Turkey – Retirement indemnities

The defined benefit obligations have been measured by independent actuaries. This note, in particular the information presented in tabular format, has been drawn up on behalf of the Group by external advisors.

There are no long term healthcare commitments within the Group.

Actuarial gains and losses on defined benefit plans are recognized directly in equity, under the revised IAS 19.

There are two categories of retirement benefit plan:

1) Defined contribution plans

These plans exist in most European countries in which the Group operates (France, Benelux, Germany, Italy and Spain), and in the United-States and Asia-Pacific countries. Under these plans, Group entities make payments, expensed as incurred, on a regular basis to organizations authorized to manage the retirement plans.

2) Defined benefit plans

There are two types of defined benefit plans recognized in provisions for retirement benefit obligations:

- funded defined benefit plans (in the United-Kingdom);
- unfunded defined benefit plans. Under these plans, provisions for termination benefits are recognized as a liability in the balance sheet under "Provisions for retirement benefit obligations". The main countries involved are France, Italy, Turkey and Germany (easycash).

Significant changes to plans in 2011 were as follows:

- acquisition of Xiring on November 30, 2011 (France);
- absorption of Epos Italia SpA by Ingenico Italia SpA (Italy) on July 1st, 2011 (effective on January 1st, 2011);
- acquisition of paycom on July 1st, 2011 (Germany).

Movements in the provisions for funded and unfunded defined benefit obligations were as follows:

	2011		
(in thousands of euros)	Funded	Unfunded	Total
At January 1st	**1,205**	**7,445**	**8,650**
Acquisitions	-	231	231
Translation differences	159	1	160
Increases	136	872	1,008
Reversals	-	(149)	(149)
Changes in consolidation scope	-	-	-
Contributions	(922)	-	(922)
Actuarial (gains)/losses	3,919	(111)	3,808
At December 31	**4,497**	**8,288**	**12,785**

	2010		
(in thousands of euros)	Funded	Unfunded	Total
At January 1st	**3,860**	**6,555**	**10,415**
Acquisitions	-	33	33
Translation differences	131	2	132
Increases	188	753	940
Reversals	-	(229)	(229)
Changes in consolidation scope	-	-	-
Contributions	(932)	-	(932)
Actuarial (gains)/losses	(2,041)	331	(1,711)
At December 31	**1,205**	**7,445**	**8,650**

	2009		
(in thousands of euros)	Funded	Unfunded	Total
At January 1st	**1,735**	**3,041**	**4,776**
Acquisitions	-	2,633	2,633
Translation differences	132	-	132
Increases	-	766	766
Reversals	(914)	(347)	(1,261)
Changes in consolidation scope	-	(57)	(57)
Contributions	-	-	-
Actuarial (gains)/losses	2,907	519	3,426
At December 31	**3,860**	**6,555**	**10,415**

Movements in the present value of funded and unfunded defined benefit obligations

Present value of the defined benefit obligation	2011		
(in thousands of euros)	Total	Funded plans	Unfunded plans
At January 1st	**21,747**	**14,301**	**7,446**
Current service costs	520	-	520
Interest on obligation	1,163	811	352
Actuarial gains/(losses) recognized in other comprehensive income	3,937	4,048	(111)
Translation differences	610	610	0
Benefits paid from unfunded plans	(149)	-	(149)
Benefits paid from funded plans	(399)	(399)	-
Changes in consolidation scope	231	-	231
At December 31	**27,660**	**19,372**	**8,288**

Historical information on the present value of defined benefit obligations is as follows:

Present value of the defined benefit obligation *(in thousands of euros)*	2009	2010	2011
At January 1st	**9,643**	**14,887**	**14,301**
Current service costs	185	-	-
Interest on obligation	686	870	811
Participants' contributions	155	-	-
Actuarial gains/(losses) recognized in other comprehensive income	3,688	(1,377)	4,048
Translation differences	714	474	610
Benefits paid from funded plans	(184)	(553)	(399)
At December 31	**14,887**	**14,301**	**19,372**

Analysis of the present value of defined benefit obligations: funded/unfunded

Only the U.K. pension plan is funded.

Present value of the defined benefit obligation *(in thousands of euros)*	2009	2010	2011
Unfunded plans	6,555	7,446	8,288
Funded plans	14,887	14,301	19,372
TOTAL	**21,442**	**21,747**	**27,660**

Movements in the fair value of plan assets

Fair value of plan assets *(in thousands of euros)*	2009	2010	2011
At January 1st	**7,907**	**11,026**	**13,096**
Expected return on plan assets	492	683	675
Actuarial gains/(losses) recognized in other comprehensive income	781	664	129
Translation differences	582	344	452
Employer contributions	1,294	932	922
Participants' contributions	155	-	-
Benefits paid from funded plans	(184)	(553)	(399)
At December 31	**11,026**	**13,096**	**14,875**

Analysis of recognized assets and liabilities

(in thousands of euros)	2009	2010	2011
Assets and liabilities recognized			
Present value of obligations	21,442	21,747	27,660
Fair value of plan assets	11,026	13,096	14,875
Surplus/(deficit)	**(10,416)**	**(8,651)**	**(12,785)**
Unrecognized past service cost	-	-	-
Assets not recognized (limitation effect)	-	-	-
Net liability	**(10,416)**	**(8,651)**	**(12,785)**

Expense recognized in profit or loss

Expense recognized in profit or loss *(in thousand of euros)*	Exercice 2011	Forecast Exercice 2012
Current service costs	520	518
Interest on obligation	1,163	1,302
Expected return on plan assets	(675)	(612)
At December 31	**1,008**	**1,209**

Impact on statement of comprehensive income

Historical information on amounts recognized directly in the statement of comprehensive income is as follows:

(in thousands of euros)	2009	2010	2011
At January 1st	**(2,460)**	**976**	**(602)**
Actuarial (gains)/losses recognized in other comprehensive income	3,436	(1,710)	3,804
Translation differences	-	132	148
At December 31	**976**	**(602)**	**3,350**

Actuarial gain/loss recognized in 2011 arose as follows:

	(in thousands of euros)	*% change*
Obligations		
Experience	573	2.07%
Changes in assumptions	3,364	12.17%
Plan assets		
Experience	(133)	-0.87%
	3,804	

Analysis of plan assets

Plan investments	*(in thousands of euros)*	*% change*
Equities	5,707	38.37%
Bonds	7,296	49.05%
Real estate	-	N/A
Other	1,872	12.59%
TOTAL	**14,875**	**100.00%**

Plan assets do not include any land or buildings occupied by Group entities, or any other assets used by the Group. There are no separately identifiable assets.

Fair values of plan assets relate only to the U.K. plan.

The breakdown of investments at December 31, 2011 is 38% in equities or other assets subject to change in value and 62% in risk-free investments. The expected rate of return on the latter category is 3.0% (equivalent to that of government bonds), whereas that of the former is expected to be 2.5% higher i.e. 5.5%.

This would result in a weighted average revised rate of 4.0% per annum at December 31, 2011.

Actuarial assumptions

	France	Germany	Italy	Turkey	United-Kingdom	Average rate, weighted by the DBO amount
Discount rate	4.50%	4.50%	4.50%	10.00%	4.85%	4.77%
Expected rate of return on plan assets	N/A	N/A	N/A	N/A	4.00%	4.00%
Expected future salary increases	2.52%	1.50%	2.50%	7.00%	N/A	2.18%
Medical cost trend rate	N/A	N/A	N/A	N/A	N/A	N/A

Sensitivity to changes in medical care trend rates

No plan benefits.

Best estimate of plan contributions payable in 2011

Breakdown of expected contributions at December 31, 2011:

	(in thousands of euros)
Employer contributions	958
Plan participants' contributions	-

Sensitivity of assets and liabilities to changes in the discount rates at December 31, 2011

A 1 percentage point change in the discount rate for all plans would have resulted in the following net liabilities:

Assets and liabilities	Discount rate +1%			Discount rate -1%		
(in thousands of euros)	TOTAL	Funded plan	Unfunded plan	TOTAL	Funded plan	Unfunded plan
Present value of obligations	23,095	15,679	7,415	33,615	24,362	9,252
Fair value of plan assets	14,875	14,875	-	14,875	14,875	-
Surplus/(deficit)	**(8,220)**	**(804)**	**(7,415)**	**(18,740)**	**(9,488)**	**(9,252)**
Unrecognized past service cost	-	-	-	-	-	-
Assets not recognized (limitation effect)	-	-	-	-	-	-
Net liability	**(8,220)**	**(804)**	**(7,415)**	**(18,740)**	**(9,488)**	**(9,252)**

According to the U.K. actuary, IFRIC 14 has no impact on the consolidated financial statements at December 31, 2011.

The above hypothetical changes to the discount rates would result in the following movements recognized directly in other comprehensive income at December 31, 2011:

	Discount rate +1%	Discount rate -1%
(in thousands of euros)	2011	2010
At January 1st	**(598)**	**(598)**
Actuarial (gains)/losses recognized in other comprehensive income, net of any limitation	(742)	9,778
Translation differences	144	144
At December 31	**(1,196)**	**9,324**

NOTE 27 OTHER PROVISIONS

(in thousands of euros)	Balance at January 1, 2011	Translation differences	Changes in consolidation scope	Additions	Reversals of amounts used	Reversal of unused amounts	Others movements	Balance at December 31, 2011
Provisions for warranties	13,195	(183)	175	15,948	(18,011)	-	-	11,124
Provisions for litigations and claims	5,885	62	-	5,777	(3,406)	(1,802)	2,097	8,613
Provisions for restructuring	1,125	(8)	-	168	(1,117)	-	-	168
Other provisions	13,933	(106)	262	11,116	(7,308)	(2,298)	(2,044)	13,555
TOTAL OTHER PROVISIONS	**34,138**	**(235)**	**437**	**33,009**	**(29,842)**	**(4,100)**	**53**	**33,460**

(in thousands of euros)	Balance at January 1, 2010	Translation differences	Changes in consolidation scope	Additions	Reversals of amounts used	Reversal of unused amounts	Others movements	Balance at December 31, 2010
Provisions for warranties	11,226	961	-	4,618	(3,609)	-	-	13,195
Provisions for litigations and claims	5,720	145	187	3,521	(1,100)	(2,729)	140	5,885
Provisions for restructuring	1,596	4	-	1,196	(1,562)	(90)	(18)	1,125
Other provisions	6,537	141	-	12,496	(3,708)	(399)	(1,134)	13,933
TOTAL OTHER PROVISIONS	**25,079**	**1,251**	**187**	**21,830**	**(9,979)**	**(3,218)**	**(1,012)**	**34,138**

(in thousands of euros)	Balance at January 1, 2009	Translation differences	Changes in consolidation scope	Additions	Reversals of amounts used	Reversal of unused amounts	Others movements	Balance at December 31, 2009
Provisions for warranties	9,305	815	(345)	6,640	(5,264)	-	75	11,226
Provisions for litigations and claims	7,669	210	113	2,805	(1,506)	(3,717)	144	5,720
Provisions for restructuring	1,120	31	(771)	1,771	(151)	(629)	225	1,596
Other provisions	2,861	(11)	997	3,924	(1,271)	(105)	143	6,537
TOTAL OTHER PROVISIONS	**20,955**	**1,046**	**(6)**	**15,140**	**(8,192)**	**(4,451)**	**587**	**25,079**

(i) Warranties

The provision for warranties reflects the estimated foreseeable costs related to the one-year product warranty given at the time of sale.

(ii) Litigation and claims

Ingenico is engaged in a number of claims and arbitration proceedings arising in connection with its business. Reversals of unused amounts chiefly reflect the resolution of commercial disputes that were settled in the Group's favor, or in which the amount of the damages awarded proved to be lower than originally estimated.

The tax assessment procedures in respect of a Brazilian subsidiary of Ingenico are still in progress. They relate to the ICMS tax, where the amount in question was approximately €78.2 million at December 31, 2011 (covering principal from 2004 to 2009, interest and penalties). The "Tax War" currently pitting Brazilian States against each other may potentially affect Ingenico as well as a large number of foreign and domestic companies. Against this background, the tax authorities of the State of Sao Paulo have contested the deduction by Ingenico Do Brasil of a portion of the ICMS tax on the sales invoices of a supplier, on the grounds that the State of Minas Gerais, in which the supplier operates, had granted the supplier a tax concession that violates federal law. Advised by tax experts, the Company believes it has serious grounds for contesting the claims of the authorities.

Based on an analysis of the risks involved and on the criteria set out in IAS 37, no provision has been recognized in the consolidated financial statements at December 31, 2011.

The Company has contested all the assessments related to the ICMS of which it has been notified. Some of them have been canceled by administration decision. In respect of the assessments still in progress, no demand for payment had been received at December 31, 2011.

The Company's tax liability under the service tax (ISS) is now extinguished since Ingenico Do Brasil entered the amnesty program proposed by the tax authorities of the city of Sao Paulo. Companies that paid the taxes they owed by September 15, 2011 were offered a substantial reduction in penalties (i.e., 75%), full cancelation of late payment interest and above all the final extinguishment of the claim. Under this program, Ingenico Do Brasil paid approximately €3 million.

(iii) Other provisions

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

NOTE 28 OTHER NON-CURRENT LIABILITIES

At December 31, 2009, 2010 and 2011, other non-current liabilities included:

(in thousands of euros)	2009	2010	2011
Trade payables	232	322	140
Current tax liabilities	3,814	5,033	449
Tax, personnel and social security liabilities	-	1,263	2,005
Deferred income	6,334	8,769	8,811
Other liabilities	5	143	465
TOTAL	**10,385**	**15,531**	**11,869**

All non-current liabilities are due to be settled in over one year.

NOTE 29 TRADE PAYABLES AND RELATED ACCOUNTS

(in thousands of euros)	2009	2010	2011
Trade payables	126,183	194,167	204,005
Other operating liabilities	61,979	73,563	93,327
Customer advances	7,026	13,667	22,189
Other tax liabilities	24,132	17,963	23,155
Employee-related liabilities	29,430	42,062	47,083
Other	1,392	(129)	900
TOTAL	**188,162**	**267,730**	**297,332**

NOTE 30 CURRENT TAX PAYABLE

At December 31, 2010, current tax payable under one year was composed chiefly of income tax payable on taxable profit at Group subsidiaries.

(in thousands of euros)	2009	2010	2011
Germany	870	519	3,245
Argentina	-	55	79
Australia	-	1,250	2,803
Brazil	-	-	2,245
Canada	836	1,381	166
Chile	-	86	-
China	718	1,580	2,036
Spain	70	428	356
France	13,108	41	91
Hungary	-	3	134
India	37	-	-
Ireland	-	16	-
Italy	458	-	1,653
Poland	-	-	61
Czech Republic	226	207	121
United Kingdom	441	274	1,980
Russia	5	19	3
Switzerland	-	-	16
Thailand	-	17	-
Turkey	168	365	1,326
USA	187	2,365	68
Venezuela	-	28	255
TOTAL	**17,124**	**8,633**	**16,640**

NOTE 31 OTHER LIABILITIES

The breakdown of other liabilities is as follows:

(in thousands of euros)	2009	2010	2011
Other liabilities	21,388	40,084	40,509
Deferred income	26,371	33,729	39,346
TOTAL	**47,758**	**73,813**	**79,855**

Other liabilities include those arising from put options written at the time of the acquisitions of Fujian Landi and Fixed & Mobile Pte., amounting to €32.8 million and €2.8 million, respectively, at December 31, 2011. The options (over 22% of Fujian Landi shares and 10% of those of Fixed & Mobile Pte.) are measured on the basis of discounted future cash flows, which are the best estimate of the put exercise price. The cash flows used are those of each company's business plan.

NOTE 32 COMMITMENTS

(in thousands of euros)	2009	2010	2011
Commitments received			
Bank guarantees	-	3,259	-
Net asset warranty as part of Sagem Monetel merger, expiring on March 14, 2010 (no escrow account).	50,000	-	-
Net asset warranty as part of acquisition of 55% stake in Fujian Landi: expiring on May 23, 2011 USD 17,050,000.	11,835	12,760	-
Net asset warranty as part of acquisition of Payment Terminals business from Sagem Comunicaciones Iberica: expiring January 1st, 2010.	500	-	-
Net asset warranty as part of acquisition of easycash, expiring on February 28, 2011.	8,150	8,150	-
Net asset warranty as part of acquisition of 38,27% stake in TransferTo (Fixed & Mobile Pte), expiring on July 30, 2010 (USD 3,000,000).	2,082	-	-
Net asset warranty as part of acquisition of 44% stake in Roam Data Inc.: no expiry (USD 500,000).	347	374	374
Net asset warranty as part of acquisition of Payzone, expiring on November 5, 2011.	-	1,050	-
Net asset warranty as part of acquisition of 49% stake in Korvac Holding Pte Ltd (SGD 30,000,000): ● tax warranty valid until expiry of time limit for tax claims ● other warranties expiring on May 1st, 2012	-	17,507	17,837
Net asset warranty as part of acquisition of First Data Iberica SA, expiring on September 08, 2012 (€ 15,000,000) including: ● €1,500,000 deposited in an escrow account to cover all warranties	-	15,000	15,000
Net asset warranty as part of acquisition of Ingeserve Co. Ltd, expiring on May 21, 2015.	-	unlimited	unlimited
Net asset warranty as part of acquisition of TNET. No expiry.	-	-	unlimited
Other commitments received			
Call option in favor of Ingenico SA over the remaining “Roam Data” shares held by minority shareholders. The option may be exercised in 2014. The exercise pr price will be determined by reference to the financial performance of the company. The transaction price may be paid in cash or shares of Ingenico. The exercise price cannot be less than USD0.1 per share.	-	-	-
Put option on outstanding Moneyline Banking System (MBS) shares: option exercisable in 2013. Purchase price to depend on MBS EBIT in 2012.	-	-	-
Net asset warranty as part of acquisition of Paycom. Corporate warranties expiring on July 1st, 2012, Tax warranties expiring on December 31 2015, other warranties expiring July 01 2013	-	-	12,381
Commitments given			
Bank and lease guarantees.	11,011	25,569	22,129
Net asset warranty as part of Sagem Denmark disposal in 2009:			
● standard seller’s warranty expiring on June 30, 2010	10,127	-	
● corporate and litigation warranties expiring on June 30, 2011	10,127	10,127	
● tax warranty valid until expiry of time limit for tax claims	20,254	20,254	20,254
These three warranties are not cumulative			
Net asset warranty as part of disposal of 85% of MoneyLine Banking Systems shares in 2009: warranty			
covering 4 legal disputes, unlimited amount until expiry of time limit for claims (maximum estimated risk). This amount is provided (not in full) in the consolidated financial statement.	3,050	3,050	-
Other commitments given			
Shares of DI Deutsche Ingenico Holding GmbH pledged as security for the first tranche of €210 million. The additional BNP loan of €34 million is secured by a second ranking charge.	-	-	for the record

At December 31, 2011, the Group had the following commitments in connection with its business activities:

- the Group placed firm orders with manufacturers totaling approximately €281.2 million at December 31, 2011;
- future payments under non-cancelable operating leases.

The following table shows future minimum lease payments due at year-end under non-cancelable operating leases. The 2009 and 2010 amounts have been restated to reflect the new Group organization, set out in Note 7, Segment Reporting:

(in thousands of euros)	2009	2010	2011
Commitments given on non-cancelable leases	38,134	39,611	82,571
TOTAL	**38,134**	**39,611**	**82,571**

The substantial increase recorded in 2011 was due to the lease for Ingenico's new head office at 28-32 Boulevard de Grenelle in Paris.

The breakdown by maturity and segment of commitments given by the Group under non-cancelable operating leases follows:

	2011						
(in thousands of euros)	Central Operations	SEPA	Asia-Pacific	North America	Latin America	Central Europe Middle East Africa	Total
Y+1	2,062	5,226	1,481	614	929	-	10,312
Y+2	6,031	3,839	1,377	589	794	-	12,631
Y+3	7,087	2,988	1,023	364	760	-	12,222
Y+4	6,217	1,694	660	125	736	-	9,432
Y+5 and following	36,436	751	79	125	584	-	37,974
TOTAL	**57,832**	**14,498**	**4,620**	**1,817**	**3,803**	**-**	**82,571**

	2010						
(in thousands of euros)	Central Operations	SEPA	Asia-Pacific	North America	Latin America	Central Europe Middle East Africa	Total
Y+1	5,218	4,786	958	588	544	-	12,094
Y+2	4,506	3,731	752	601	500	-	10,090
Y+3	4,231	2,700	577	577	236	-	8,321
Y+4	3,750	2,053	529	359	160	-	6,851
Y+5 and following	74	1,362	534	124	160	-	2,254
TOTAL	**17,779**	**14,632**	**3,350**	**2,249**	**1,600**	**-**	**39,611**

	2009						
(in thousands of euros)	Central Operations	SEPA	Asia-Pacific	North America	Latin America	Central Europe Middle East Africa	Total
Y+1	4,299	3,930	1,034	519	652	75	10,508
Y+2	4,275	3,177	343	532	400	6	8,734
Y+3	4,212	2,503	91	543	258	-	7,607
Y+4	4,000	1,668	-	523	62	-	6,252
Y+5 and following	3,508	1,204	-	321	-	-	5,033
TOTAL	**20,294**	**12,482**	**1,468**	**2,438**	**1,372**	**81**	**38,134**

Ingenico is entitled to receive future minimum rental income in respect of non-cancelable operating leases in the context of its activity amounting to €3.0 million.

NOTE 33 RELATED PARTY TRANSACTIONS

During 2011 :

Purchases of terminals by Group companies from Korvac, an equity-accounted entity, amounted to €0.2 million.

On the other hand, no transactions have been made between ROAM Data and the other Group companies.

Transactions between Ingenico and the Safran group, a member of the Board of Directors, concern only contracts of small amounts in relation to the size of the Group:

- a production contract between Morpho and Ingenico for payment terminals (type EFT, principally ended at the end of June 2011), representing €3.4 million for the first half of 2011;
- a Telium license contract giving Morpho the right to develop non-payment terminals from Ingenico's Telium platform, representing €0.1 million of revenue;
- a purchasing contract of Ingenico for a biometric model representing €1.1 million on 2011.

Total compensation and benefits paid to the Chairman of the Board of Directors and current members of the Executive Committee at December 31, 2011, breaks down as follows:

(in thousands of euros)	2009	2010	2011
Fixed compensation	3,731	4,862	5,993
Variable compensation	2,472	2,453	3,074
Other benefits	697	636	1,528
Stock options and free share awards (service cost recognized)	4,615	3,616	3,042
TOTAL	**11,516**	**11,566**	**13,637**

New corporate functions were created in 2011, with the result that the Executive Committee has been expanded from 25 to 40 members. This explains the increase in compensation for the year.

NOTE 34 SUBSEQUENT EVENTS

As part of the Xiring acquisition process, a simplified public tender offer that closed on January 23, 2012 raised the stake held by Ingenico SA in Xiring to 95.7%.

Crossing the threshold of 95% of Xiring's share capital allowed Ingenico to launch a mandatory withdrawal offer for the remaining Xiring shares on February 6, 2012 which will close on February 24, 2012.

On February 10, 2012, Ingenico Ventures SAS, a wholly owned subsidiary of SA, signed all the documentation required for it to increase its 43% stake in ROAM Data Inc. As a result of this agreement, Ingenico Ventures SAS is in a position to attain an 86% stake that will give it a controlling interest in ROAM Data (see Note 14, Investments in equity-accounted investees).

On February 5, 2012, Ingenico Holdings Asia Limited, a wholly owned subsidiary, signed an agreement to sell its entire 49% interest in Korvac Holdings Pte. Ltd., an equity-accounted investee (see Note 14, Investments in equity-accounted investees), for 24.6 million Singapore dollars. This transaction had no effect on the 2011 consolidated financial statements.

The head office of the parent company has been transferred to 28-32 Boulevard de Grenelle in Paris. All of Ingenico's former business locations in the Paris area have been brought together at this new address.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2011

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' meeting, we hereby report to you, for the year ended December 31, 2011, on the following:

- our audit of the accompanying consolidated financial statements of Ingenico SA;
- the justification of our assessments;
- the specific verifications required by law;

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion these financial statements, based on our audit.

1. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis or through other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the parent company financial statements give a true and fair view of the assets, liabilities, financial position and results of the consolidated group of entities in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the European Union.

Without qualifying our opinion, we draw your attention to the matter set out in Note 27 to the consolidated financial statements regarding the state of the outstanding tax assessments regarding the Brazilian subsidiary of Ingenico SA at December 31, 2011.

2. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L.823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

- At each reporting date, the company tests goodwill and intangible assets that have indefinite useful lives for impairment, as described in the section "Impairment of assets" included in Note 2, "Accounting principles and methods," to the consolidated financial statements. We have reviewed the impairment testing methodology and the assumptions used, and we have verified that Note 12, "Goodwill and other intangible assets," provides adequate disclosure.
- Provisions for litigation and claims are recognized in accordance with the accounting principles and methods described in the section "Provisions" included in Note 2, "Accounting principles and methods," to the consolidated financial statements. On the basis of information currently available, we have reviewed how the provisions have been estimated and we have verified that Note 27, "Other provisions," to the consolidated financial statements, provides adequate disclosure.

These assessments were made as part of our audit of the consolidated financial statements, taken as a whole, and therefore contributed to the opinion we formed, which is expressed in the first part of this report.

3. SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the consolidated financial statements of the information given in the management report of the Board of Directors.

The statutory auditors

Paris La Défense, March 7, 2012
KPMG Audit IS
Jean-Pierre Valensi
Partner

Paris, March 7, 2012
CGEC SA
Sophie Brulebois
Partner

PARENT COMPANY FINANCIAL STATEMENTS AT DECEMBER 31, 2011

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ASSETS

(in thousands of euros)	2011				2010
	Notes	Gross	D&A and impairment	Net	Net
Intangible assets	4				
Research and development costs		44,634	30,201	14,433	12,831
Licenses, patents and similar rights		14,481	10,039	4,442	2,713
Goodwill		175,835	1,571	174,263	174,263
Other intangible assets		3,144	686	2,458	1,257
Property, plant and equipment	4				
Buildings on leasehold land		1,508	1,018	490	735
Facilities and equipment		31,498	24,412	7,086	9,143
Other property, plant and equipment		12,311	4,798	7,513	2,185
Financial assets	4				
Equity interests	5, 9, 19	565,049	17,081	547,968	230,758
Loans and advances to subsidiaries and associates	5, 6, 9, 19	117,640	-	117,640	380,080
Other non-current financial assets	6	1,063	8	1,055	981
TOTAL I		**967,162**	**89,814**	**877,349**	**814,945**
Current assets					
Inventories	9				
Raw materials and consumables		8,868	4,026	4,842	4,801
Finished and semi-finished goods		13,555	3,720	9,835	19,057
Purchased goods held for sale		362	238	123	118
Total inventories		**22,784**	**7,984**	**14,801**	**23,976**
Trade receivables	5, 6, 9, 12, 19				
Advances and down-payments		901	-	901	473
Trade receivables on the sale of goods and services		107,621	4,671	102,950	126,204
Other receivables		91,195	-	91,195	31,986
Short-term investments	7, 9	100,782		100,782	37,349
Cash and cash equivalents	12	119,934	-	119,934	5,263
Accrued income	6	2,780		2,780	2,041
TOTAL II		**445,997**	**12,655**	**433,342**	**227,293**
Deferred charges	4	5,944	-	5,944	5,167
Translation gains		3,438	-	3,438	2,849
TOTAL ASSETS		**1,422,541**	**102,469**	**1,320,073**	**1,050,254**

SHAREHOLDERS' EQUITY AND LIABILITIES

(in thousands of euros)	Notes	2011	2010
Equity	8		
Share capital		51,980	51,512
Issue premium		496,825	484,546
Reserves	8		
Legal reserve		5,151	4,864
Retained earnings	8	11,785	34,686
Profit for the year	8	7,509	(4,849)
Regulated provisions	8, 9	4,975	2,915
TOTAL I (EQUITY)		**578,225**	**573,674**
Provisions for liabilities and charges			
Provisions for liabilities and charges	9	27,600	20,803
TOTAL II (PROVISIONS)		**27,600**	**20,803**
Provisions for liabilities and charges	11		
Bond issues	10, 12	255,542	-
Bank borrowings and long-term debt	10, 12	210,047	244,867
Other long-term financial liabilities	5, 19	101,657	62,155
Advances and down-payments received on outstanding orders		5	19
Trade payables and related accounts	12, 19	79,763	89,903
Incomes taxes and taxes other than on income	12	27,275	24,989
Payables to non-current asset suppliers and related accounts	-	-	-
Other liabilities	12, 19	27,537	25,147
Deferred income		8,575	6,979
TOTAL III (LIABILITIES)		**710,400**	**454,059**
Translation losses		3,848	1,719
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,320,073**	**1,050,254**

INCOME STATEMENT

(in thousands of euros)	Notes	2011	2010
Resale of purchased goods		27,167	28,427
Sales of goods produced		334,731	351,518
Sales of services		35,958	24,356
Revenue	**13, 19**	**397,857**	**404,301**
Other operating income	19	7,373	10,834
Reversals of D&A and provisions	9, 19	13,659	7,498
TOTAL OPERATING INCOME		**418,888**	**422,634**
Cost of inventories consumed	19	189,977	224,912
Other purchases and external charges	15, 19	95,448	68,978
Income taxes, taxes other than on income and related expenses	19	6,144	4,585
Wages and salaries	14, 20	54,730	44,775
Social security contributions		22,629	18,709
D&A on non-current assets	4	19,197	14,031
Provisions and impairment	9, 19	21,976	11,458
Other expenses		1,830	6,029
TOTAL OPERATING EXPENSES		**411,930**	**393,477**
Profit from operations		**6,958**	**29,157**
Financial income	5	45,302	53,685
Financial expenses		(58,750)	(44,914)
Provisions and reversals of provisions	9	15,908	(22,434)
Net financial income/(expense)	**16, 19**	**2,460**	**(13,663)**
Profit before income taxes and non-recurring items		**9,418**	**15,494**
Non-recurring income		6,244	10,868
Non-recurring expenses		(4,671)	(33,823)
Non-recurring provisions and reversals of provisions	4	(4,935)	6,135
Total non-recurring expenses	**17, 19**	**(3,362)**	**(16,820)**
Income taxes	18	(1,453)	3,523
Net profit/(loss) for the year		**7,509**	**(4,849)**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

DETAILED TABLE OF CONTENTS OF THE NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

NOTE 1 HIGHLIGHTS OF THE PERIOD

€250 million OCEANE bond issue

Ingenico issued "OCEANE" bonds, i.e. convertible into and/or exchangeable for new or existing shares with their issue date on March 11, 2011 that mature on January 1st, 2017. The total principal amount of the issue is €250 million, or 6,677,350 bonds with a face value of €37.44. The bonds pay an annual coupon of 2.75 per cent.

Bondholders may request that the bonds be converted into and/or exchanged for ordinary shares of the Company at any time from the issue date until the seventh business day preceding the maturity or early redemption date, at a ratio of one share per bond, subject to adjustments.

On January 1st, 2017, the bonds will be redeemed in full at their face value.

The Company may proceed at any time with early redemption of the bonds, as set forth in the information memorandum approved by the *Autorité des Marchés Financiers* under visa number 11-062 on March 3, 2011.

Prepayment of the €370 million syndicated loan facility maturing in 2014, replaced by a new €360 million syndicated loan facility maturing in 2016

In August 2011, Ingenico SA prepaid the €210 million balance on its €370 million syndicated loan facility maturing in 2014. Concurrently, Ingenico negotiated a new €360 million syndicated loan facility maturing in 2016, structured as a €210 million term loan and a €150 million revolving credit facility. To date, Ingenico has only made drawn on the €210 million term loan to finance acquisitions.

Acquisition of Xiring

On November 14, 2011, Ingenico launched a contractual voluntary tender offer at €17 per share to acquire all the shares of the company Xiring, a security solutions provider for electronic transactions in the healthcare and electronic identity sectors. Xiring is listed on the Paris Alternext market.

At the December 31, 2011 reporting date, Ingenico held 3,659,491 Xiring shares out of a total of 3,985,908, acquired for €61,679,003.

Merger with Ingenico Data System

On June 30, 2011, Ingenico Data System (IDS), a dormant company, was dissolved and merged into Ingenico SA, to which all of its assets and liabilities were transferred (*Transmission Universelle de Patrimoine* – TUP). A merger deficit of €1,549,792 was recognized.

The merger benefited from the favorable tax treatment provided by Article 210A of the French General Tax Code with retroactive effect to January 1st, 2011, and resulted in the removal of IDS from Ingenico's tax consolidation group.

Merger with Ingenico Transaction Services

On June 30, 2011, Ingenico Transaction Services, a dormant company, was dissolved and merged into Ingenico SA, to which all of its assets and liabilities were transferred (*Transmission Universelle de Patrimoine* – TUP). A merger surplus of €2,197 was recognized.

The merger benefited from the favorable tax treatment provided by Article 210A of the French General Tax Code with retroactive effect to January 1st, 2011, and resulted in the removal of Ingenico Transaction Services from Ingenico's tax consolidation group.

Tax audit

Ingenico is currently subject to a tax audit covering the fiscal years ended December 31, 2008, 2009 and 2010. The Company has received a reassessment notice for 2008 involving immaterial amounts and has accordingly recognized a provision.

NOTE 2 SUBSEQUENT EVENTS

On January 9, 2012, Ingenico made a simplified public tender offer, open from January 10 to January 23, for the Xiring shares not yet held by the Company.

The head office of the parent company was transferred to 28-32 Boulevard de Grenelle in Paris. All of Ingenico's former business locations in the Paris area have been brought together at this new address.

NOTE 3 ACCOUNTING PRINCIPLES AND METHODS

The accounting principles and methods used were applied in compliance with the conservatism principle and these basic assumptions:

- going concern;
- consistency principle;
- matching principle.

General principles governing the preparation and presentation of annual financial statements were applied.

Items in the accounts are generally valued at historical cost.

The main accounting principles applied by the Group are follows:

Intangible assets

Research and development

Research costs are expensed as incurred.

The costs of development activities, i.e. costs related to the application of research findings to a plan or design for the production of new or substantially improved products or processes, are capitalized if the Company can demonstrate, in particular, that the product or process is technically and commercially feasible and that sufficient resources are available to complete the development.

Such capitalized costs include the cost of materials and direct labor, plus an appropriate share of production overhead costs.

Other development costs are expensed as incurred. Capitalized development costs are stated at cost less accumulated amortization and impairment losses.

The estimated useful lives range from 3 to 5 years.

Other intangible assets

Other intangible assets acquired by the Company are stated at cost less accumulated amortization and impairment losses.

The estimated useful lives are as follows:

- software and licenses: 3 years;
- other intangible assets: 5 years.

Goodwill

The Goodwill line item in the balance sheet in a net amount of €174,263,000 pertains primarily to the following:

- a merger deficit of €24,616,000 was recognized on the merger in 2006 of MoneyLine with and into Ingenico, arising mainly on customer relationship and market share,
- a merger deficit of €149,238,000 was recognized on the dissolution and merger in 2010 of Ingenico France (formerly Sagem Monetel) through transfer of all of the entity's assets and liabilities. The merger deficit arose on the technology, customer relationship and market share contributed to Ingenico.

In compliance with Regulation CRC 2004-01, these deficits are not amortized; they are tested for impairment. When the recoverable amount of one or more underlying assets to which a share of the merger deficit was allocated falls below their carrying amount, tan impairment loss is recognized for the difference, multiplied by the share of the deficit allocated to the asset or assets.

Property, plant and equipment

Property, plant, and equipment is carried at cost (purchase price and related expenses).

The cost of a self-constructed asset includes the cost of raw materials and direct labor, along with an appropriate share of production overhead costs. When components of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The replacement cost of a component is immediately capitalized under property, plant and equipment if it is probable that the future economic benefits arising from the asset will flow to the Company and its cost can be reliably measured.

All routine maintenance and repair costs are expensed as incurred.

Depreciation is calculated based on the following depreciation methods and useful lives:

- building fixtures and improvements: 5 years, straight-line depreciation;
- technical equipment (R&D department information systems): 4 years, accelerated depreciation;
- other machinery and equipment: 4 years, straight-line depreciation;
- other property, plant and equipment: 3 to 10 years, straight-line or accelerated depreciation.

Equity and other long-term investments

Equity interests and loans and advances to subsidiaries and associates recorded on the balance sheet are stated at cost, with acquisition expenses included until December 31, 2009. As of 2010, acquisition expenses are expensed.

When the recoverable amount of equity interests and loans and advances to subsidiaries is less than carrying amount, an impairment loss is recognized for the difference. The recoverable amount is equal to value in use. Ingenico assesses the value in use of equity securities and loans and advances to subsidiaries and associates using the discounted cash flow method, net of subsidiary debt. The discount rates used are based on the average cost of capital and the risk associated with the business.

Tax-accelerated depreciation and amortization

For tax purposes, purchased software is amortized over 12 months.

Expenses related to acquisitions of companies prior to 2010 are amortized over 5 years.

Inventories

Cost of inventories is determined using the weighted average cost method. Finished goods are valued at production cost, which corresponds to the subcontractor's manufacturing cost. If the net realizable value of inventory on the balance sheet date is less than cost, an impairment loss is recognized for the difference.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Trade receivables and related accounts

Trade receivables and related accounts are stated at their nominal value. An impairment loss is recognized when the recoverable amount is less than the carrying amount.

Expenses incurred in relation to several-year contracts for the supply of applications are accounted for as accrued receivables (with margin recognized on a percentage-of-completion basis). A provision for losses on completion of the contract may be recognized, based on the estimated outcome of the transaction.

Transactions in foreign currency

Revenues and expenses denominated in foreign currency are recorded at the euro equivalent on the date of transaction. The differences resulting from the translation of payables and receivables at the closing exchange rate are recorded on the balance sheet under "Translation differences." Hedged foreign-currency receivables and payables are recognized at their hedged rate. A provision is recorded for unrealized foreign exchange losses.

Foreign exchange hedges

Ingenico SA manages foreign exchange risk for all entities in the Group. The purpose of Ingenico's foreign exchange risk management policy is to hedge against the risk of currency depreciation against the euro for all invoices issued in foreign currencies. The policy therefore covers foreign exchange transaction risk to hedge trade receivables, trade payables and current accounts, as well as future cash flows from budgets. To hedge against the foreign exchange risk associated with its overseas operations, Ingenico SA mainly uses spots, forwards and options. These instruments qualify as hedges and are recorded as off-balance sheet commitments.

Retirement benefit obligations

Upon retirement, Company employees receive benefits as per the provisions of the collective bargaining agreement by which they are covered. The Company recognizes provisions for retirement benefit obligations. At December 31, 2011, those obligations were estimated at €3,280,000.

To calculate its obligations, the Company's uses the retrospective method and the following assumptions:

- a 48.5-percent social security contribution rate;
- voluntary departure at age 63;
- a 2.0-percent inflation rate;
- a 4.5-percent discount rate at December 31, 2011;
- a 2.5-percent annual wage adjustment rate.

Provisions for litigation and claims

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

Short-term investments

Financial instruments classified as short-term investments are carried at cost. When their recoverable amount, which is their fair value, is less than cost, an impairment loss is recognized for the difference. Losses are not offset against unrealized gains.

Accrued expenses

This item pertains to bond issue expenses, which are amortized on a straight-line basis over the life of the bond.

Business research tax credit

As of 2011, the business research tax credit is accounted for as a reduction of corporate income tax. In 2010, the business research tax credit was recognized in "Other operating income."

Free share awards

When the Company buys back its own shares in the market and holds them in treasury to award them under free share plans, the cost of any buybacks carried out or to be carried out to meet obligations to beneficiaries of such plans is covered by a provision allocated on a pro rata basis over the free share vesting period, specified in each plan (2 to 4 years, depending on the beneficiary). At the end of the vesting period, the award of the treasury shares to the plan beneficiaries becomes final. The loss on disposal recognized at the end of the vesting period is offset by a reversal of the previously recognized provision for impairment of treasury shares.

The net expense related to free share plans, not including expenses rebilled to Group subsidiaries, is reclassified under "Payroll and related expenses" by way of a non-recurring expense transfer account. Treasury shares meant to be allocated to employees are recognized in "Short-term investments."

Tax consolidation

The tax consolidation agreements between Ingenico SA, the head of the tax consolidation group, and the other companies in the tax consolidation group specify that each subsidiary pays the parent an amount equal to the income tax the subsidiary would have been required to pay if it had been taxed as a separate entity, net of any loss carry-forwards and carry-backs that the subsidiary would have been entitled to in the absence of tax consolidation.

At the end of a loss-making year for a subsidiary, that subsidiary will have no claim against the parent, even if the parent has established a claim against the French Treasury by electing to carry back the entire loss of the tax consolidation group.

If a subsidiary withdraws from the tax consolidation group, the parent and the subsidiary are to determine by mutual agreement whether the subsidiary has incurred additional costs as a result of tax consolidation, and if so, whether this entitles the subsidiary to compensation from the parent.

Change in accounting method

Not applicable.

NOTE 4 CHANGES IN NON-CURRENT ASSETS AND DEPRECIATION AND AMORTIZATION

Items *(in thousands of euros)*	Carrying amount at 01.01.2011	Increase	Transfer	Decrease	Carrying amount at 12/31/2011
Intangible assets					
• Research and development expenses	38,785	5,849	-	-	44,634
• Patents, licenses and trademarks	10,596	2,921	996	31	14,482
• Goodwill	175,835				175,835
• Other intangible assets:					
• Miscellaneous	686	-	-	-	686
• Assets and R&D in progress	-	-	-	-	-
• Other assets in progress	1,257	2,197	(996)	-	2,458
Property, plant and equipment					
• Building fixtures	1,502	8	-	2	1,508
• Equipment and machinery	28,071	3,992		565	31,498
• Other property, plant and equipment	5,615	6,703	-	7	12,311
Financial assets:					
• Equity interests	262,777	88,327 [(1)]	216,364 [(4)]	2,419 [(2)]	565,049
• Loans & advances to subsidiaries & associates	380,080	14,728	(216,364)	60,803 [(3)]	117,640
• Other financial assets	993	102	-	32	1,063
TOTAL	**906,196**	124,826	**0**	**63,859**	**967,164**

(1) Includes Ingenico Spain (€3,000), following IDS dissolution-merger.
Includes M2M shares (€152,000), following IDS dissolution-merger.
Includes Ingenico Holding Asia shares (€24,992,000), following capital increase through incorporation of receivables.
Includes Ingenico Prepaid Services (€1,426,000), following capital increase through incorporation of receivables.
Includes subscription for Ingenico 1 shares (€37,000).
Includes subscription for Ingenico 2 shares (€37,000).
Includes acquisition of Xiring shares (€61,678,000).
(2) Includes cancelation of Ingenico Data System (IDS) shares (€1,419,000) as part of dissolution-merger.
Includes cancelation of Ingenico Transactions Services (ITS) shares (€1 billion) as part of dissolution-merger.
(3) Includes repayment of Ingenico Ibérica loan (€21,893,000).
Includes repayment of Ingenico Holding Asia loan (€30,230,000).
(4) Includes capital increase through incorporation of DI Deutsche Ingenico Holding receivables (€216,064,000).
Includes capital increase through incorporation of Ingenico Healthcare GMBH receivables (€300,000).

Amortizations

Items	Accrued at 01.01.2011	Additions	Transfer	Reversal	Accrued at 31.12.2011
Intangible assets					
• Research and development expenses	25,954	4,247	-	-	30,201
• Patents, licenses and trademarks	7,883	2,165	-	9	10,039
• Goodwill	1,571	-	-	-	1,571
• Other intangible assets	686	-	-	-	686
Property, plant and equipment					
• Building fixtures	767	252	-	1	1,018
• Machinery and equipment	18,928	5,010	-	255	23,683
• Other tangible assets	3,430	1,375	-	6	4,799
TOTAL	**59,219**	**13,048**		**271**	**71,997**

Breakdown of additions to D&A (depreciation and amortization)

Linear	Degressive	Outstanding
8,308	4,740	-

Changes in expenses allocated over several fiscal years

	Net amount at 01.01 of the fiscal year	Increase during the fiscal year	Provisions of the fiscal year	Net amount at 31.12 of the fiscal year
Expenses to be allocated over several fiscal years	5,167	6,926 (1)	6,149 (2)	5,944

(1) Includes €2,471,000 in expenses on the 2011 €360 million loan, to be allocated.
Includes €4,328,000 in expenses on the 2011 €250 million OCEANE convertible bond, to be allocated.
(2) Includes €3,211,000 in expenses on the early repayment of the 2009 €370 million loan.

NOTE 5 EQUITY INTERESTS

Subsidiaries and associates [1]	Currency – Capital and equity	Capital	Reserves, retained earnings and prior-year profit (before appro-priation)	% held	Book value of shares held		Loans and advances granted by the Company, outstanding at 12/31/2011	Loans and advances received by the Company at 12/31/2011	Revenue excluding tax in the preceding year	Profit/(loss) for the preceding year	Dividends received by the Company in FY 2011
					Gross	Net					
			In thousands of currency units								*In thousands of euros*
MONEYLINE BANKING SYSTEMS 183 avenue Georges Clémenceau 92000 Nanterre	EUR	1,899		15.00%	1,829						
INGENICO VENTURES 192 avenue Charles de Gaulle 92200 Neuilly sur Seine cedex	EUR	6,800	(484)	100.00%	6,800	6,800	443			(129)	
INGENICO HEALTHCARE GMBH Konrad Zuse Ring 1 D-24220 FLINTBECK	EUR	500	5,939	100.00%	1,850	1,850		6,000	18,124	6,226	
NATURAL SECURITY Eurotechnologie 165 avenue de Bretagne 59044 Lille	EUR	4,300	(3,793)	17.99%	774	774				(3,613)	
INGENICO GMBH (HANSEA) Pfalzburger Strasse 43-44 10717 Berlin, Germany	EUR	1,023	4,023	100.00%	1,027	1,027	7,584	5,846	19,097	1,049	
DI DEUTSCHE INGENICO HOLDING Frankfurt, Germany	EUR	216,203	(121,820)	100.00%	220,063	220,063	75,000			8,547	
INGENICO UK LTD [2] 17 Ridge Way Donibristle Industrial Estate Dalgety Bay Dunfermline FIFE JY11 5 JU Scotland	GBP	1,000	16,388	100.00%	1,544	1,544		20,918	84,174	11,625	
INGENICO ITALIA SPA [2] Via Stephenson 43/A 20157 Milan, Italy	EUR	250	14,675	100.00%	838	838	4,847		63,488	5,414	
INGENICO IBERIA SL [2] C/Ribeira des Loira, 4 y 6 4 plana Campo de las Naciones 28042 Madrid, Spain	EUR	8,115	32,421	100.00%	87,191	87,191	16,694		57,580	23,937	
INGENICO HUNGARY Big U. 3-5 1022 Budapest, Hungary	HUF	3,000	(277,741)	100.00%	12	12			2,331	963	
INGENICO EASTERN EUROPE SARL [2] 10 Bld Royal 2449 Luxembourg, Luxembourg	EUR	13	(63)	99.00%	905	905	396			(8)	
INGENICO Investment "Luxembourg" 10 Bd Royal L-2449 Luxembourg, Luxembourg	EUR	500	(1,948)	99.99%	508		1,348			(45)	
INGENICO SWITZERLAND Impasse des Écureuils 2 case postale 56 CH-1763 Granges-Paccot, Switzerland	CHF	140	140	100.00%	1,810	1,810	232		1,114	4,553	

Subsidiaries and associates [1]	Currency – Capital and equity	Capital	Reserves, retained earnings and prior-year profit (before appro-priation)	% held	Book value of shares held		Loans and advances granted by the Company, outstanding at 12/31/2011	Loans and advances received by the Company at 12/31/2011	Revenue excluding tax in the preceding year	Profit/(loss) for the preceding year	Dividends received by the Company in FY 2011
					Gross	Net					
INGENICO CORP [2] 6195 South Date Land Blvd Suite D Alpharetta Georgia 30005, United States	USD		60,752	100.00%	86,229	71,739				1,729	
INGENICO IVI INC [2] 9155 South Dade Land Blvd Suite 1408 Miami, Florida 33156, United States	USD	1	2,631	100.00%	418	418	3		4,030	-80	
INGENICO DO BRASIL LTDA [2] Rua Tomé de Souza, 15 - 8 Floor São Bernado do Campo - Sao Paulo, Brazil	BRL	39,292	(1,813)	98.88%	18,484	18,484			142,587	4,706	746
INGENICO PREPAID SERVICES France 9 Rue de Curie 92150 Suresnes, France	EUR	500	447	100.00%	8,731	8,731		3,411	91,962	447	
INGENICO HOLDING ASIA [2] 3806 Central plaza 18 Harbor Road - Wanchai, China	USD	55,629	7,837	100.00%	44,644	44,644	14,823			4,594	
INGENICO INTERNATIONAL (PACIFIC) PTY LTD [2] 6 Prosperity Parade Warriewood NSW 2102, Australia	AUD	407	34,165	100.00%	692	692		28,587	49,464	7,851	
INGENICO INTERNATIONAL (SINGAPORE) Pte Ltd. 390 Havelock Road, 03-3 King's Centre Singapore 169662, Singapore	SGD	200	(6,162)	100.00%	101		15,211		28,444	(1,818)	
INGENICO PHILIPPINES 15th and 17th Floors Pearlbank center N°146 Valero Street Salcedo Village - Makaticity 1227, Philippines	PHP	9,200	(12,292)	100.00%	119	119	126			0	
INGENICO ODEME SYSTEM [2] ITU Ayazaga Kampusu Ari 2 Binasi B Blok No: 6/1 Koruyolu 34469 Maslak Istanbul, Turkey	TRY	19,613	(5,032)	100.00%	18,170	18,170	11,000		7,866	(39)	
INGENICO LLC RUSSIE Godovikova Street 9 119085 Moscow, Russia	RUB	10	12,000	100.00%			300		537	199	
INGENICO CZ Myslikova 25 PSC 110 00 PRAHA, Czech Republic	CZK	1,890	88,384	100.00%	70	70		2,807	7,473	1,583	
INGENICO INDIA PRIVATE LTD D-4 Ground Floor Street #1 Chandra Shekhar - Azar Road - Laxmi Nazar 110092 New Dehli, India	INR	25,702	(95,418)	100.00%	330	330			9,470	(1,439)	
XIRING 25 quai Gallieni 92150 Suresnes, France	EUR	4,783	16,926	91.81%	61,679	61,679			20,000	2,600	
INGENICO 1 28 -32 Bld de Grenelle 750015 Paris, France	EUR	37	0	100.00%	37	37					

Subsidiaries and associates (1)	Currency – Capital and equity	Capital	Reserves, retained earnings and prior-year profit (before appro-priation)	% held	Book value of shares held Gross	Book value of shares held Net	Loans and advances granted by the Company, outstanding at 12/31/2011	Loans and advances received by the Company at 12/31/2011	Revenue excluding tax in the preceding year	Profit/(loss) for the preceding year	Dividends received by the Company in FY 2011
INGENICO 2 28 -32 Bld de Grenelle 750015 Paris, France	EUR	37	0	100.00%	37	37					
INGENICO BARCELONA SA 15-25 Avenida Via Augusta Barcelona, Spain	EUR		0	0.01%	3	3	0	6,956	0	133	
M2M (Morocco)	EUR		0	30.00%	153	0			0	(9)	
TOTAL					**565,049**	**547,967**	**148,007**	**74,525**	**-**	**-**	**746**

(1) Income statement data for foreign subsidiaries are translated into euros at the average exchange rate for the year, while balance sheet data are translated at the closing rate.
(2) Sub-group of companies.

NOTE 6 RECEIVABLES

(in thousands of euros)	Carrying amount	Less than 1 year	More than 1 year
Receivables on non-current assets			
Loans and advances to subsidiaries and associates	117,640	90,260	27,380
Other financial assets	1,063	80	983
Receivables on current assets			
Doubtful or disputed accounts	2,539	-	2,539
Other trade receivables	105,082	105,082	-
Income tax receivables	6,853	6,853	-
VAT receivables	3,379	3,379	-
Intra-Group receivables	77,633	77,633	-
Other receivables	3,330	3,330	-
Accrued income	2,780	2,501	279
TOTAL	**320,297**	**289,117**	**31,181**
Prior-year data	545,770	487,235	58,536

NOTE 7 SHORT-TERM INVESTMENTS

Type of assets *(in thousands of euros)*	Cost	Fair value	Impairment
Treasury shares [1]	17,683	17,752 [2]	-
UCITS and other instruments classified as short-term investments	83,099	83,100	-
TOTAL SHORT-TERM INVESTMENTS	**100,782**	**100,852**	

(1) Includes a €2,721,000 liquidity contract.
(2) Treasury shares held to be used in free share awards are not measured at fair value.

NOTE 8 CHANGES IN SHAREHOLDERS' EQUITY AND TREASURY SHARES

At December 31, 2011, Ingenico's share capital consisted of 51,980,303 shares with a par value of €1 each. During the year, 468,332 new shares were issued: 29,127 in connection with the exercise of stock options and 439,205 to shareholders in the form of stock dividends.

Changes in shareholders' equity

(in thousands of euros)	Balance at January 1st, 2011	Appropriation of 2010 net profit	Movements in 2011	Balance at December 31, 2011
Share capital	51,512	-	468 [1]	51,980
Share premium	484,546	-	12,279 [2]	496,824
Legal reserve	4,864	287	-	5,151
Retained earnings	34,686	(22,900)	(1)	11,786
Net profit for the year	(4,849)	4,849	7,509	7,509
Regulated provisions	2,915	-	2,060	4,975
2010 dividends paid in 2011	-	17,764	(17,764)	-
TOTAL	**573,674**		**4,551**	**578,225**

(1) Includes €29,000 in stock options exercised. Includes €439,000 in stock dividends.
(2) Includes €122,000 in stock options exercised and €12,065,000 in stock dividends.

Free share award plan and stock option

	2011							
	Options/ free shares outstanding at January 1st	Options/ free shares granted during the year	Options/ free share awards exercised during the year	Options/ free shares canceled or expired; other movements	Remeasurement	Options/ free shares outstanding at December 31 (1)	Weighted average life *(in years)*	Weighted average exercise price after remeasurement *(in euros)*
Tranche A (completed)	16,121	-	13,902	2,219		-	8	
Tranche B (completed)	-	-	-	-		-	8	
Tranche C	2,271	-	159	1,056		1,056	8	10.36
Tranche D (completed)			-	-		-	8	
Tranche E (completed)	-	-	-	-		-	8	
Tranche F	23,305	-	6,788	2,111		14,406	8	11.07
Tranche H	33,167	-	8,278	5,278		19,611	8	11.01
Free shares	364,486	-	267,750	28,427		68,309		0
Joint investment plan	548,300	-	-	73,660		474,640		0
TOTAL	**987,650**	**-**	**296,877**	**112,751**	**-**	**578,022**		

(1) Includes 35,073 exercisable at December 31, 2011.

Treasury shares

	2011		2010	
	Quantity	Net amount in thousands of euros	Quantity	Net amount in thousands of euros
Treasury shares allocated to free share award plans (1)	517,940	9,184	693,737	11,764
Unallocated treasury shares	251,049	5,779	129,962	1,540
Treasury shares held under the liquidity contract	99,495	2,721	51,744	1,341
TOTAL	**868,484**	**17,684**	**875,443**	**14,645**

(1) Not remeasured at fair value.

NOTE 9 PROVISIONS AND DEPRECIATIONS

(in thousands of euros)	Balance at 01/01/2011	Additions	Reversals of amounts used	Reversals of unused amounts	Balance at 12/31/2011
I - Regulated provisions					
Tax-accelerated depreciation	2,915	3,126	1,066	-	4,975
TOTAL I	**2,915**	**3,126**	**1,066**		**4,975**
II - Provisions for liabilities and charges					
Provisions for litigation (1)	3,594	2,617	529	1,123	4,559
Provisions for warranties	819	1,019	1,305	-	533
Provisions for foreign exchange losses	2,849	3,438	2,849	-	3,437
Provisions for retirement benefit obligations	2,942	355	-	-	3,296
Provisions pour impôts	-	104	-	-	104
Other provisions (2)	10,599	15,239	8,160	2,009	15,670
TOTAL II	**20,803**	**22,772**	**12,843**	**3,132**	**27,599**
III - D&A and impairment					
Property, plant and equipment	-	729	-	-	729
Financial assets (3)	32,031	152	1,424	13,672	17,088
Inventories	5,336	5,888	3,240	-	7,984
Trade receivables	3,064	3,394	1,788	-	4,670
Other receivables	1,383	2	1,385	-	0
Short-term investments	18		18	-	0
TOTAL III	**41,832**	**10,165**	**7,855**	**13,672**	**30,471**
TOTAL I+II+III	**65,551**	**36,063**	**21,764**	**16,804**	**63,046**
Provisions, D&A and impairment:					
• for operating items		21,976	13,659		
• for financial items		3,592	19,349		
• for non-recurring items		10,494	5,560		
TOTAL		**36,062**	**38,568**		

(1) Provision for litigation in industrial tribunals and commercial courts.
(2) Includes a provision for free share awards (€5,707,000 in 2011).
Includes €2,977,000 + €5,246,000 for EMS quality risk & replacement costs (to retrofit customers).
Includes €828,000 to refurbish Company premises in Neuilly and Suresnes.
(3) Includes reversals of provisions for impairment of equity investments:
- €6,902,000 for Ingenico Corp;
- €1 billion for Ingenico Switzerland;
- €5,770,000 for Ingenico Ödeme Sistem.

NOTE 10 BANK BORROWINGS AND LONG-TERM DEBT AND BOND ISSUES

(in thousands of euros)	Amount	Term	Contract expiration date
Medium-term borrowings			
OCEANE bonds	250,000	6 years	01/01/2017
Loan	210,000	5 years	08/05/2016
Accrued interest on loan (1)	5,568		
Short-term borrowings			
Bank overdrafts	22		
TOTAL	**465,589**		

(1) Includes €5,542,000 in interest on OCEANE bonds.

Syndicated loan facility

In August 2011, Ingenico prepaid the €210 million balance on the €370 million syndicated loan facility put in place in 2009. At the same time, Ingenico contracted a €360 million syndicated loan facility maturing in 2016, structured as a €210 million term loan to finance acquisitions and a €150 million revolving credit facility used to support working capital needs.

At December 31, 2011, only the €210 million term loan had been used.

The loan bears interest at the Euribor rate plus a margin that is adjusted on the basis of the Company's net debt to EBITDA ratio, and is covered by interest rate hedging instruments.

This facility requires the Group to meet specific financial performance criteria involving ratios calculated on the basis of the consolidated financial statements. After the facility was renegotiated, the requirements were as follows:

- net debt must be less than 2.5 times EBITDA;
- the net debt to equity ratio must be less than 0.8.

At the December 31, 2011 reporting date, both ratios were met.

The arrangement costs for the new €360 million loan facility totaled €2,472,000. That amount is recorded in "Deferred charges" on the asset side of the balance sheet and amortized over the life of the loan (see Note 4).

The issuance costs for the OCEANE bonds totaled €4,328,000. That amount is recorded in "Deferred charges" on the asset side of the balance sheet and amortized over the life of the bond (see Note 4).

Bond issue

The Group issued "OCEANE" bonds, i.e. convertible into and/or exchangeable for new or existing shares with their issue date on March 11, 2011 that mature on January 1, 2017. The total principal amount of the issue is €250 million, or 6,677,350 bonds with a face value of €37.44. The bonds pay an annual coupon of 2.75 percent.

The bond issue was accompanied by an information memorandum approved by the *Autorité des Marchés Financiers* under visa number 11-062 on March 3, 2011.

NOTE 11 LIABILITIES

Breakdown of liabilities in 2011 *(in thousands of euros)*	Carrying amount	Less than 1 year	1 to 5 years	More than 5 years
OCEANE bonds	250,000	-	250,000	
Bank borrowings and debt	215,589	5,564	210,025	-
Other borrowings and liabilities	101,657	101,657	-	-
Trade payables and related accounts	79,763	79,763	-	-
Payroll and related expenses	16,534	16,534	-	-
Social security and related liabilities	10,264	10,264	-	-
Payables to government	194	194	-	-
Other taxes and similar duties	282	282	-	-
Other liabilities	27,537	27,537	-	-
Deferred income	8,575	2,655	5,920	-
Advances and down-payments received on outstanding orders	5	5	-	-
TOTAL	**710,400**	**244,455**	**465,945**	
Prior-year data	**454,059**	**227,041**	**227,018**	

NOTE 12 CURRENT ASSETS AND LIABILITIES

Current assets *(in thousands of euros)*	12/31/2011	12/31/2010
Trade receivables and related accounts	1,668	1,731
Other receivables	32	-
Cash and cash equivalents	454	-
TOTAL CURRENT ASSETS	**2,154**	**1,731**

Current liabilities *(in thousands of euros)*	12/31/2011	12/31/2010
Short-term bank and related borrowings	5,568	227
Trade payables and related accounts	23,375	17,896
Taxes and employee-related liabilities	22,863	21,289
Other liabilities	23,577	20,997
TOTAL CURRENT LIABILITIES	**75,383**	**60,409**

NOTE 13 BREAKDOWN OF REVENUE

Breakdown by geographical area *(in thousands of euros)*	**2011**	**2010**
France (mainland and overseas depts.)	85,332	100,140
Australia, China and Southeast Asia	44,049	44,580
Western and Central Europe	146,731	133,240
The Americas	73,212	75,273
The Middle East	34,891	36,980
Africa	13,641	14,088
TOTAL	**397,856**	**404,301**

NOTE 14 AVERAGE WORKFORCE

Employees	**2011**	**2010**
Executives and engineers	552	402
Clerical and manual staff, technicians and supervisors	89	79
TOTAL	**641**	**481**

NOTE 15 CAPITALIZED RESEARCH AND DEVELOPMENT COSTS

(in thousands of euros)	**2011**	**2010**
Capitalized R&D costs	5,849	5,496
Total R&D costs (expensed and capitalized) [1]	45,144	42,967
% of R&D costs capitalized	**13%**	**13%**

(1) Net of the 2011 business research tax credit (i.e. €2,197,000) and a surplus from the 2010 business research tax credit (i.e. €86,000).

NOTE 16 NET FINANCIAL INCOME/(EXPENSE)

Nature *(in thousands of euros)*	2011	2010
Financial income		
Income from equity investments	880	4,158
Foreign exchange gains	27,739	37,834
Income from other receivables (1)	14,726	10,179
Gains on disposal of short-term investments	1,946	1,505
Reversal of provisions and account transfers (2)	19,349	2,046
Other financial income	11	9
TOTAL FINANCIAL INCOME	**64,651**	**55,731**
Financial expenses		
Foreign exchange losses	33,168	35,934
Amortization and provisions	3,440	24,480
Interest expense	13,836	7,773
Losses on disposal of short-term investments	1,588	381
Debt write-offs (3)	8,526	826
Other financial expenses (4)	1,631	-
TOTAL FINANCIAL EXPENSES	**62,191**	**69,394**
Net financial income/(expense)	**2,460**	**(13,663)**

(1) Interest on loans to subsidiaries and current accounts.
(2) Includes reversals of provisions for impairment of equity investments:
- Ingenico Corp, €6,902,000;
- Ingenico Switzerland, €1 billion;
- Ingenico Ödeme Sistem, €5,770,000.
(3) Includes a €4,460,000 write-off of Ingenico Switzerland debt.
Includes a €2,874,000 write-off of Ingenico Hungary debt.
Includes a €1,192,000 write-off of Descartes debt.
(4) Net merger deficit on IDS and ITS dissolution-mergers totaling €1,550,000.

NOTE 17 NON-RECURRING INCOME AND EXPENSES

(in thousands of euros)	2011	2010
Non-recurring income		
Gains on disposal of assets	86	4,223
Reversal of tax-accelerated depreciation	1,066	376
Reversal of provision for free share awards	4,120	13,143
Reversal of provisions for liabilities	374	1,473
Account transfers [1]	5,708	6,441
Reversal of provisions for shares	-	356
Other income	450	145
Liquidating dividend from Ingenico Japan	-	60
TOTAL NON-RECURRING INCOME	**11,803**	**26,217**
Non-recurring expenses		
Losses on disposal of assets	334	8,011
Tax-accelerated depreciation expense	3,126	2,305
Provisions for free share awards	5,708	6,441
Provisions for litigation	828	467
Provisions for taxes	104	-
Restructuring charge, including severance pay	218	11,945
Losses on buybacks of shares	4,120	13,143
Penalties	-	-
Other non-recurring expenses	729	725
TOTAL NON-RECURRING EXPENSES	**15,165**	**43,037**
Net non-recurring expense	**(3,362)**	**(16,820)**

(1) The provision for free share awards for the year has been transferred to "Payroll and related expenses."

NOTE 18 INCOME TAXES

Breakdown of income taxes between profit before non-recurring items and non-recurring profit/(loss)

(in thousands of euros)	2011	2010
Net profit for the year	7,509	(4,849)
Income tax on profit before non-recurring items	(192)	7,732
Income tax on non-recurring profit/(loss)	(1,214)	(4,178)
Income tax on profit related to tax consolidation	(47)	(31)
TOTAL INCOME TAX	**(1,453)**	**3,523**
Profit before taxes	**6,056**	**(1,326)**

Changes in deferred tax liabilities

Type of temporary difference:	2011	2010
Tax effect at	**36.10%**	**34.43%**
Increase		
Regulated provisions		
Tax-accelerated depreciation	1,796	1,004
TOTAL INCREASE	**1,796**	**1,004**

Decrease

Provisions and expenses not deductible in accounting period		
Impairment of trade receivables	847	269
Solidarity contribution	80	125
Construction costs	71	60
Provision for free share awards	2,934	2,251
Provision for retirement	1,189	1,013
Provision for recycling	330	279
Acquisition expenses	619	337
Equity investment	3	3
Other		
Translation losses	1,389	592
TOTAL DECREASE	**7,462**	**4,929**

NOTE 19 DATA RELATED TO SEVERAL BALANCE SHEET AND INCOME STATEMENT ITEMS

	Amounts involving companies			
	2011		2010	
Item *(in thousands of euros)*	Related undertakings	Share ownership by the Company	Related undertakings	Share ownership by the Company
Balance sheet				
Equity interests	564,275	774	262,003	774
Loans and advances to subsidiaries and associates	117,640	-	380,080	-
Trade receivables and related accounts	66,098	-	77,230	-
Other receivables	510	-	19,218	-
Borrowings and other financial liabilities	26,303	-	62,154	-
Trade payables and related accounts	4,696	-	3,860	-
Other liabilities	21,999	-	19,517	-
Operating income				
Resale of purchased goods	11,612	-	7,999	-
Sales of goods produced	258,676	-	287,421	-
Sales of services	14,231	-	6,108	-
Other operating income	0	-	0	-
Cost of inventories consumed	(6,213)	-	(3,097)	-
Other purchases and external charges	(9,187)	-	(17,563)	-
Income taxes, taxes other than on income and related expenses	(59)	-	(104)	-
Other operating expenses	(186)	-	(5,571)	-
Depreciation and impairment	-	-	-	-
Financial income				
Financial income	20,543	-	21,215	-
Financial expenses	(16,884)	-	(11,331)	-
Provisions and reversals of provisions	10,852	-	(20,613)	-
Non-recurring income and expenses				
Non-recurring income	60	-	233	198
Non-recurring expenses	(22)	-	(9,046)	-

NOTE 20 EXECUTIVE COMPENSATION

The compensation paid to the Company's executive officers in 2011 totaled €1,438,000.

NOTE 21 OFF-BALANCE SHEET COMMITMENTS

(in thousands of euros)			2011	2010
Commitments given				
Various guarantees			11,508	12,703
Individual training rights			502	657
Net asset warranty as part of Sagem Denmark disposal:			-	-
• Corporate and litigation warranties expiring on June 30, 2011			-	10,127
• Tax warranty valid until expiration of time limit for tax claims on December 31, 2011			-	20,254
These three warranties are not cumulative.				
As part of Company policy to hedge foreign exchange exposure				
(on existing assets and liabilities and on future flows)				
(revalued at closing exchange rates)				
Forward contracts to sell GBP	GBP 2, 585,000	(8,800,000 in 2010)	24,644	10,223
Forward contracts to purchase AUD	AUD 1,000,000		786	
Forward contracts to sell AUD	AUD 19,550,000	(17,100,000 in 2010)	15,366	13,018
Forward contracts to purchase CAD	CAD 500,000		378	
Forward contracts to sell CAD	CAD 18,500,000	(3,900,000 in 2010)	13,999	2,927
Forward contracts to purchase USD	USD 89,131,000	(95,500,000 in 2010)	68,886	71,471
Forward contracts to sell USD	USD 14,700,000		11,361	
AUD currency swap	AUD 36,372,000	(29,200,000 in 2010)	28,587	22,229
GBP currency swap	GBP 17,035,000	(4,700,000 in 2010)	20,394	5,460
CAD currency swap		(CAD 63,600,000 en 2010)		47,141
USD currency swap	USD 83,093,000	(37,600,000 in 2010)	64,219	28,140
GBP call option		(GBP 9,000,000 in 2010)		10,455
CAD call option		(CAD 6,500,000 in 2010)		4,879
USD put option	USD 19,000,000	(23,500,000 in 2010)	14,684	17,587
USD call option	USD 19,000,000		14,684	-

Other commitments given	2011	2010
Net asset warranty as part of disposal of 68% of MBS		
Warranty covering four legal disputes – unlimited amount and duration		
A provision of €206,000 has been recognized for this liability in the financial statements of Ingenico SA		

Commitments received	2011	2010
Net asset warranty as part of the acquisition of a 55% stake in Fujian Landi. Expires on May 23, 2011		12,761
Net asset warranty as part of the acquisition of easycash. Expires on February 28, 2011		8,150
Net asset warranty as part of the acquisition of Payzone, expiring on November 5, 2011		1,050

Other commitments received	2011	2010
Put option on outstanding MBS shares, exercisable in 2013		
Purchase price to depend on EBIT of MBS in 2012		

STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS

Year ended December 31, 2011

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' meeting, we hereby report to you, for the year ended December 31, 2011, on the following:

- our audit of the accompanying parent company financial statements of Ingenico SA;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion these financial statements, based on our audit.

1. OPINION ON THE PARENT COMPANY FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the parent company financial statements are free of material misstatement. An audit includes examining, on a test basis or through other selection methods, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the parent company financial statements give a true and fair view of the assets, liabilities, financial position and results of the company in accordance with generally accepted accounting principles in France.

2. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L.823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

- The "Goodwill" section of Note 3 to the parent company financial statements sets forth the accounting principles and methods used to account for the merger deficits recognized on the mergers of Moneyline and Ingenico France with and into Ingenico SA, along with the rules used to test these deficits for impairment. As part of our assessment of the accounting principles and methods used by your company, we verified the suitability of the accounting methods and the information provided and we ensured that these accounting methods have been correctly applied.
- In Note 3 to the parent company financial statements, the section entitled "Equity and other long-term investments" sets forth the accounting rules and principles used to calculate the value in use of equity interests and loans and advances to subsidiaries and associates. As part of our assessment of the accounting principles and methods used by your company, we verified the suitability of the accounting methods and the information provided and we ensured that these accounting methods have been correctly applied.

These assessments were made as part of our audit of the parent company financial statements, taken as a whole, and therefore contributed to the opinion we formed, which is expressed in the first part of this report.

3. SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed the specific verifications required by law, in accordance with professional standards applicable in France.

We have no matters to report as to the fair presentation and the consistency with the parent company financial statements of the information given in the management report of the Board of Directors and in the documents addressed to the shareholders with respect to the company's financial position and financial statements.

With regard to the information given as provided for in Article L.225-102-1 of the French Commercial Code on the compensation and benefits paid to the company's executive officers and on commitments made to them, we verified its consistency with the parent company financial statements or with the data used as a basis for preparing these financial statements and, where relevant, with the elements collected by your company from companies controlling your company or controlled by it. Based on our work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have ensured that the required information concerning the purchase of equity interests and controlling interests in the company and the names of the shareholders have been properly disclosed in the management report.

Paris La Défense, March 7, 2012
KPMG Audit IS
Jean-Pierre Valensi
Partner

Paris, March 7, 2012
CGEC S.A.
Sophie Brulebois
Partner

FIVE-YEAR FINANCIAL SUMMARY

(in thousands of euros)

Reporting date (12-month accounting period)	12/31/2007	12/31/2008	12/31/2009	12/31/2010	12/31/2011
Capital at year end					
Share capital (in thousands of euros)	32,930	47,792	48,637	51,512	51,980
Number of ordinary shares issued	32,930,070	47,791,674	48,637,135	51,511,971	51,980,303
Operations and results					
Revenue (excluding tax)	284,803	344,366	346,505	404,301	397,857
Profit before income taxes, profit-sharing, depreciation, amortization and provisions	49,554	45,067	37,881	32,964	22,596
Income taxes	(551)	191	9,457	3,523	(1,453)
Employee profit-sharing					
Profit after income taxes, profit-sharing, depreciation, amortization and provisions	34,691	23,416	32,454	(4,849)	7,509
Dividends distributed	10,771	11,947	14,516	17,764	
Per-share data (in euros)					
EPS after income taxes and profit-sharing, but before depreciation, amortization and provisions	1.52	0.94	0.58	0.57	0.46
EPS after income taxes, profit-sharing, depreciation, amortization and provisions	1.05	0.49	0.67	(0.09)	0.14
Dividend per share	0.25	0.25	0.30	0.35	0.50 (1)
Personnel					
Average number of employees	302	340	414	481	641
Total payroll	19,638	26,791	36,669	44,775	54,730
incl. free share grants		3,711	7,137	6,441	5,708
Total benefits, including social security expenses	8,998	11,533	14,522	18,709	22,629

(1) Amount of dividend per share as proposed to the shareholders vote at their Annual Meeting of May 3, 2012.

7 INFORMATION ON THE COMPANY AND THE SHARE CAPITAL

7.1 INFORMATION ON THE COMPANY

7.1.1 CORPORATE NAME

Corporate name: Compagnie Industrielle et Financière d'Ingénierie, INGENICO.

Trade name: INGENICO.

7.1.2 REGISTERED OFFICE

Registered office: 28-32 boulevard de Grenelle, 75015 Paris.

On December 13, 2011, the Board of Directors decided to transfer its registered office from 192 avenue du Général de Gaulle, 92200 Neuilly-sur-Seine, to 28-32 boulevard de Grenelle, 75015 Paris, effective from January 30, 2012. This decision shall be subject to the ratification of the shareholders meeting to be called for the approval of the accounts closed on December 31, 2011.

7.1.3 LEGAL FORM

Legal form and applicable legislation: The Company is a French corporation (société anonyme) with a Board of Directors governed by the laws and regulations applicable to commercial companies as set forth in Book II of the French Commercial Code.

Date of incorporation and duration: June 10, 1980 for a period of 99 years starting from the date of registration with the Registre du Commerce et des Sociétés, except in the case of early dissolution or of extension, as provided for in the Articles of Association.

Fiscal year: from January 1 to December 31.

Registration number at the Registre du Commerce et des Sociétés de Paris: 317 218 758.

APE code: 6202A.

SIRET number: 317 218 758 00124.

7.1.4 ARTICLE OF ASSOCIATION

The Articles of Association contain no conditions stricter than those set by law for modifying the rights of the shareholders.

Objects (Article 2)

The Company's objects, in France and in any other countries, are to carry on any business of:

- researching, designing, developing and producing any equipment, systems or devices based on new technologies;
- designing and/or marketing any equipment and software relating to electronic payment and transfer of funds, urban parking management systems, and public and private telephone systems;
- developing and/or marketing, including on a hire basis, any systems for transmitting and receiving radio signals of any frequency and kind;
- operating, through any means and in any form, earth, sea or space telecommunication networks from stationary or mobile stations, on its own behalf or on any third party's behalf;
- designing software for its own needs or for any third parties' needs;
- providing consultancy and organization services;
- providing technical support and maintenance of any and all devices and facilities produced or marketed in connection with any of the Company's objects;
- representing any companies, both French and non-French, whose productions are related, directly or indirectly, to the above-mentioned objects, including importing or exporting operations.

To carry out these objects, the Company may set up, acquire, exchange, sell, or lease with or without an agreement to sell, and manage and operate, directly or indirectly, any industrial or commercial businesses, plants, worksites, personal or real estate; obtain or acquire and use, sell or contribute any patents, licenses, processes or trademarks; grant any licenses to manufacture or use; and generally carry on any commercial, industrial or financial transactions, both personal and real, that might be directly or indirectly related to, or serve, the Company's objects. The Company may act directly or indirectly, on its own behalf or on any third party's behalf, either alone or in partnership, joint venture or association with any other corporate bodies or individuals and carry on in France or abroad, in any form whatsoever, any businesses falling within the scope of its objects. It may acquire interests or stakes in any French or non-French organizations having similar objects or likely to develop its own business.

Fixation, allotment and distribution of profits (Article 22)

For the purpose of forming the statutory reserve fund, an amount of 5 percent shall be drawn from the net annual profit, less any retained losses. Such drawing may be interrupted once said fund equals a tenth of the share capital and it shall be resumed when the fund drops below that fraction for any reason whatsoever, in particular in case of increase in the Company's capital.

The balance, possibly increased by retained earnings, shall constitute the distributable profits.

The following shall be deducted from those profits:

- any amounts the meeting decided to use for depreciation of the Company's assets or to allocate to reserve funds or as retained earnings;
- the amount required to pay an initial dividend, accounting for a 5 percent interest on the capital used for paying up the shares; should profits be inadequate to allow such payment, the shareholders shall not be entitled to claim such dividend in subsequent years;
- the balance, if any, to be distributed among all shareholders as a super-dividend.

The meeting may also decide to distribute amounts drawn from non-statutory reserve funds, either to provide or supplement a dividend or as an extraordinary distribution, in which case the meeting shall specify from which reserve funds the sums shall be drawn.

Dividend payment (Article 23)

A dividend on shares shall be paid within nine months of fiscal year end, unless such period has been extended by court order.

The time and place of dividend payment shall be determined by the Board.

The general meeting deciding on annual financial statements can grant each shareholder an option to have the dividend or interim dividend, or part of it, paid in cash or in shares, as provided for by law and by these Articles.

Rules for calling and conditions for attending general meetings of shareholders (Article 19)

Pursuant to Article 19 of the Articles of Association, ordinary, extraordinary and special shareholders' meetings shall be called by the Board of Directors. They may also be convened by the Statutory Auditor, by a representative appointed in emergency cases by a court of law at the request of any interested party, by one or more shareholders holding at least 5 percent of the Company's share capital or by a group of shareholders as defined in Article L.225-120 of the French Commercial Code. They may, finally, be convened by the liquidator in the event of early dissolution of the Company.

The general meetings shall be held at the place specified in the notice. This may be the Company's registered office or any other place, if need be, located within a 50-km radius of the registered office.

Notice of meeting shall be given in accordance with the applicable rules and regulations.

If a General Meeting was unable to proceed, failing the required quorum, a second meeting shall be called with at least ten clear days' prior notice, in the same manner as the first one. The notice or letters calling the rearranged meeting shall reiterate the date and agenda of the initial meeting.

The initiator of the notice of meeting shall prepare the agenda and resolutions to be submitted to the General Meeting. The Board shall add to the agenda any new item or draft resolutions referred to it either by one or more shareholders representing together at least the percentage of the Company's shares required by law, or by a shareholders' society fulfilling the requirements set forth in Section L.225-120 of Commercial Law, or, exclusively for draft resolutions, by the works council. The initiators of the request shall supply, in support of their request, any document required by applicable laws and regulations

The right to attend meetings will be substantiated by entry, on the 3rd day before the meeting, of the shares in the shareholder's name or in the name of the depository registered on the shareholder's behalf either in the registered accounts held by the Company or in the bearer securities trading accounts held by the approved depository.

Shareholders may be represented by any legal or natural person they choose subject to the conditions provided in the applicable regulations. Proxies shall be appointed using a proxy form showing the proxy's name, first name and address and signed. A proxy may not have another person substituting for the proxy. Proxy forms are valid for a single meeting only, or for rearranged meetings called with the same agenda.

If the Board so decides when calling a meeting or sending a notice of meeting, shareholders may also attend and vote at meetings by video conference or telecommunication systems enabling to identify them as provided by law.

At each General Meeting, the attendance sheet shall show the following:

- name, first name, and place of residence of each shareholder; number of shares they hold and number of votes attached to those shares;
- name, first name, and place of residence of each proxy; number of shares they hold and number of votes attached to those shares;
- name, first name, and place of residence of each represented shareholder; number of shares they hold and number of votes attached to those shares.

The attendance sheet shall be signed both by shareholders present and proxies. It shall be certified true by the committee of the meeting. The attendance sheet with appended proxy forms shall be kept at the registered office and submitted on request.

Once properly formed, a General Meeting represents all shareholders. Its resolutions shall be binding on all shareholders, even those absent, dissident or incapacitated. At Ordinary or Extraordinary Meetings, the quorum shall be based on all shares making up the share capital, and at Special Meetings, it shall be based on the shares of the relevant class, less those deprived of voting rights under statutory or regulatory provisions.

Minutes shall be made of the proceedings of General Meetings and signed by the committee members. The minutes shall be either transferred to, or inserted in, a special minute book previously class-marked according to regulatory provisions.

Quorum and majority requirements at Ordinary General Meetings:

All shareholders may take part in the proceedings and vote on resolutions, provided the shares they hold have been fully paid up.

For a General Meeting to take valid proceedings, a number of shareholders representing at least a fifth of the share capital must be present. If not, the adjourned General Meeting can take a decision, whatever the number of shares represented, but solely on the agenda of the initial meeting.

The resolutions of the Ordinary General Meeting shall be passed by a majority of votes of the shareholders present or represented, plus one vote. The members of the meeting have as many votes as the shares they hold and represent, without limitation, except at General Meetings called for incorporation purposes where each shareholder has the votes of their principals on the same terms and within the same limits.

However, all fully paid-up shares that have been registered in a single shareholder's name for at least two years shall be granted twice the voting rights conferred on other shares in view of the portion of share capital they represent.

Furthermore, in case of increase in capital out of reserves, retained earnings or premiums, the double voting rights shall be conferred, on issue, on registered shares allotted for free on the basis of old shares entitling the shareholders thereto.

Quorum and majority requirements at Extraordinary General Meetings:

Resolutions are passed by a majority of two thirds of the votes of the shareholders present or represented. The members of the meeting have as many votes as the shares they hold and represent, without limitation, except at General Meetings called for incorporation purposes where each shareholder has the votes of their principals on the same terms and within the same limits. However, all fully paid-up shares that have been registered in a single shareholder's name for at least two years shall be granted twice the voting rights conferred on other shares relative to the portion of share capital they represent.

Furthermore, in case of increase in capital out of reserves, retained earnings or premiums, the double voting rights shall be conferred, on issue, on registered shares allotted for free on the basis of old shares entitling the shareholders thereto.

An Extraordinary General Meeting is properly formed and can take valid proceedings when a number of shareholders representing at least a quarter of the share capital are present, failing which a new meeting shall be called as required by law, specifying the agenda, date and outcome of the previous meeting. The reconvened meeting can take valid proceedings if shareholders representing at least a fifth of the share capital are present. Failing a quorum, the reconvened meeting may be adjourned, on the same terms of calling and meeting, to a date within two months of the day the meeting was convened.

Notwithstanding the foregoing and by statutory dispensation, an Extraordinary General Meeting called to decide on an increase in capital out of reserves, retained earnings or premiums may proceed on the terms of quorum and majority of an Ordinary General Meeting.

Quorum and majority requirements at Special General Meetings:

Special General Meetings shall be called and shall proceed as provided for by law.

Double voting rights

According to Article 19 of the Articles of Association:

"Subject to the double voting rights attached to all fully paid-up shares registered in a single shareholder's name for at least two years, no clause in the Articles of Association or in the issuer's internal rules of procedure shall have the effect of delaying, deferring or preventing a change in control over the Company.

In case of increase in capital out of reserves, retained earnings or premiums, the double voting rights shall be conferred, on issue, on registered shares allotted for free on the basis of old shares entitling the shareholders thereto."

This provision was included for the first time in the Articles of Association, as resolved by the shareholders at their Extraordinary General Meeting of June 10, 1986, and attached double voting rights to all fully paid-up shares registered in a single shareholder's name for at least five years. Subsequently, at their Meeting of June 8, 1988, the shareholders amended the Articles of Association, reducing the required term for registration in a single shareholder's name from five years to four years, which the shareholders finally reduced further to the current two-year term at their Meeting of September 18, 1998.

Moreover, pursuant to Article L.225-124, Paragraph 1, of the French Commercial Code, any share converted into a bearer share or changing hands shall lose the right to a double vote. Nevertheless, a transfer on succession, or on the partition of property jointly owned by spouses, or a gift *inter vivos* to a spouse or a relative entitled to succeed to the donor's estate shall not cause the right to be lost, nor shall a transfer on the merger or division of a joint-stock company.

Exceeding a threshold (Article 8)

In addition to exceeding the legal thresholds that must be reported both to the Company and the Stock Exchange Authority as set out in Section L.233-7 of Commercial Law, any individual or legal entity owning a number of shares accounting for over 2% of the share capital or any multiple of that rate shall, within 4 trading days (before the end of the trading day) of the day each threshold is exceeded, give notice of the total number of shares they own to the Company, by registered letter with return receipt requested. Failing such notice, the shares exceeding the fraction that should have been reported shall be deprived of voting rights at shareholders' meetings, as provided for in law, if failure of notice has been recognised at the time of a shareholders' meeting, and if one or more shareholders, together holding at least 5% of the share capital, so request at said meeting. Similarly, any person whose direct or indirect interest drops below each of the above-mentioned thresholds shall give notice thereof to the Company in the form and within the period specified above.

7.1.5 ELEMENTS LIABLE TO AFFECT THE PRICE OF A PUBLIC OFFERING

The Company's ownership structure, any agreements of the kind referred to in Article L.233-11 of the French Commercial Code and any direct or indirect holdings in the Company's capital known to the Company by virtue of the applicable provisions on the exceeding of legal thresholds are described in section 7.3.4 of the present RD.

The Articles of Association provide for no restrictions on the exercise of voting rights (except for the penalty for failure to disclose the exceeding of a threshold set forth in the Articles of Association) or on the transfer of shares.

There are no shareholders who enjoy special rights of control.

The Company has no employee shareholding arrangements that provide for control mechanisms.

The powers of the Board of Directors and the rules that apply to the appointment and replacement of Board members are described in section 3.1.4 of the present RD.

The shareholders are authorized at Extraordinary Meetings to make any decisions and any changes to the provisions in the Articles of Association.

The agreements providing for compensation to directors and executive officers are described in Chapter 3 of the present RD.

The Company has made no agreements that would be modified or terminated in the event of a change of control over the Company.

There are no agreements providing for compensation to employees who resign, are dismissed or terminated as a result of a public offering.

7.2 SHARE CAPITAL

7.2.1 SHARE CAPITAL AT DECEMBER 31, 2011

At December 31, 2011, the Company had a total share capital of €51,980,303, for an equivalent number of shares, representing theoretical 66,503,584 voting rights (including shares for which voting rights have been suspended) and 65,635,100 exercisable voting rights.

7.2.2 CHANGES IN SHARE CAPITAL OVER THE PAST FIVE YEARS

Date	Transaction	Shares issued/ cancelled	Par value	Total shares	Share Capital
June 27, 2007	Capital increase resulting from exercise of stock subscription options between January 1 and May 30, 2007	+ 266,950	€1	32,375,526	32,375,526
June 27, 2007	Distribution of stock dividend for 2006	+ 113,418	€1	32,488,944	32,488,944
July 13, 2007	Capital increase used as consideration for shares in Planet Ödeme Sistem Çözümleri AÇ	+ 271,064	€1	32,760,008	32,760,008
December 14, 2007	Issuance of free shares whose vesting period expired on December 14, 2007	+ 100,000	€1	32,860,008	32,860,008
December 31, 2007	Capital increase resulting from exercise of stock subscription options between June 1 and December 31, 2007, placed on record by the Chairman on January 11, 2008 as delegated by the Board	+ 70,062	€1	32,930,070	32,930,070
February 21, 2008	Capital increase in connection with requests for conversion by Oceane bondholders, placed on record by the Chairman	+ 4,063,216	€1	36,993,286	36,993,286
March 14, 2008	Capital increase used as consideration for shares in SagemMonétel, Sagem Denmark and Sagem do Brasil	+ 10,663,046	€1	47,656,332	47,656,332
December 31, 2008	Capital increase resulting from exercise of stock subscription options between January 1 and December 31, 2008, placed on record by the Chairman on January 6, 2009 as delegated by the Board	+ 135,342	€1	47,791,674	47,791,674
June 24, 2009	Distribution of stock dividend for 2008	+ 597,274	€1	48,388,948	48,388,948
December 31, 2009	Capital increase resulting from exercise of stock subscription options between January 1 and December 31, 2009, placed on record by the Chairman on January 7, 2010 as delegated by the Board	+ 248,187	€1	48,637,135	48,637,135
January 20, 2010	Cancellation of treasury shares	- 250,000	€1	48,387,135	48,387,135
June 15, 2010	Issuance of new shares in the framework of the distribution of stock dividend for 2009, placed on record by the Chairman and Chief Executive Officer	+ 290,272	€1	48,677,407	48,677,407
July 21, 2010	Issuance of new shares in the framework of a capital increase limited to employees (1) and resulting from the exercise of stock subscription options (2), placed on record by the Chairman and Chief Executive Officer	+ 172,417 (1) + 51,581 (2)	€1	48,901,405	48,901,405
July 30, 2010	Capital increase resulting from the issuance of bonus shares with one bonus share issued for twenty previously existing shares, as delegated by the Annual Meeting dated May 11, 2010 and resolution of the Board on the same day	+ 2,445,070	€1	51,346,475	51,346,475
December 31, 2010	Capital increase resulting from the exercise of stock subscription options between July 16 and December 31, 2010 placed on record on January 6, 2011 by the Chairman and Chief Executive Officer as delegated by the Board	+ 165,496	€1	51,511,971	51,511,971
May 31, 2011	Capital increase resulting from the Issuance of 439,205 new shares in the framework of the distribution of stock dividend for 2010 placed on record by the Chairman and Chief Executive Officer as delegated by the Board	+ 439,205	€1	51,951,176	51,951,176
December 31, 2011	Capital increase resulting from the exercise of stock subscription options between January and December 31, 2011 placed on record on January 4, 2012 by the Chairman and Chief Executive Officer as delegated by the Board	+ 29,127	1 €	51,980,303	51,980,303

7.2.3 AUTHORIZATIONS TO INCREASE/REDUCE CAPITAL AND BUY BACK SHARES

Authorized unissued capital

A summary of the still operative authorizations granted by the shareholders' meeting to the Board regarding share capital increase, as well as the use which have been made of these authorizations during 2011 is provided hereunder. As these authorizations shall terminate soon, new authorizations shall be submitted to the vote of the shareholders meeting on May 3, 2012.

Type of authorization	Maximum capital increase that may result from the issue *(par value)*	Term	Use made of the authorization during the year
12th Resolution - SM May 11, 2010 Capital increase through issuing stock and/or other securities conferring immediate or future entitlement to company shares (with pre-emptive subscription rights)	€30,000,000*	26 months	This authorization was not used in 2011
13th Resolution - SM May 11, 2010 Capital increase through issuing stock and/or other securities conferring immediate or future entitlement to company shares (without pre-emptive subscription rights) through a public issue including contributions in kind	€15,000,000*	26 months	This authorization was used in 2011 for the issuance of 6,677,350 Oceane bonds in March 2011 – The amount of the issuance was €249,999,984
14th Resolution - SM May 11, 2010 Capital increase through issuing stock and/or other securities conferring immediate or future entitlement to company shares (without pre-emptive subscription rights) through a private placement including contributions in kind	€15,000,000*	26 months	This authorization was not used in 2011
15th Resolution - SM May 11, 2010 Setting of the par value of the issued ordinary shares or of other securities through a public offering or a private placement (without pre-emptive subscription rights)	10% of share capital	26 months	This authorization was not used in 2011
16th Resolution - SM May 11, 2010 Increase of the number of shares to be issued in case of share capital increase with or without pre-emptive rights in abidance with the authorizations set forth here above	15% of the initial issue for each issue decided in abidance with the relevant authorization*	26 months	This authorization was not used in 2011
17th Resolution - SM May 11, 2010 Capital increase through issuing stock and/or other securities conferring immediate or future entitlement to company shares in compensation for contributions in kind to the benefit of the Company	10% of share capital	26 months	This authorization was not used in 2011
18th Resolution - SM May 11, 2010 Capital increase through issuing stock and/or other securities conferring entitlement to company shares as consideration for securities contributed in connection with a public offer of exchange	10% of share capital	26 months	This authorization was not used in 2011
20th Resolution - SM May 11, 2010 Allotment of new or existing bonus shares	5% of the share capital*	26 months	This authorization was not used in 2011
21st Resolution - SM May 11, 2010 Issue of stock options for new or existing shares	2% of the share capital*	26 months	This authorization was not used in 2011
22nd Resolution - SM May 11, 2010 Share capital increase through the capitalization of premiums, reserves, benefits or other valuables	€ 10,000,000	26 months	This authorization was not used in 2011
23rd Resolution - SM May 11, 2010 Share capital decrease by cancellation of shares	10% of the share capital	26 months	This authorization was not used in 2011
15th Resolution - SM April 28, 2011 Issue of bonus equity warrants to shareholders in the event of a public tender offer	€15,000,000	18 months	This authorization was not used in 2011
16th Resolution - SM April 28, 2011 Capital increase reserved for employees	Limited to a total number of shares representing 2% of the share capital	26 months	This authorization was not used in 2011
17th Resolution - SM April 28, 2011 Issuance of capital increase reserved for employees	2% of the share capital*	26 months	This authorization was not used in 2011

* *These authorizations are given within an overall limit of € 30,000,000 as decided in the twelfth resolution of the shareholders' meeting dated May 11, 2010.*
In abidance with the fourteenth resolution of the shareholders' meeting dated April 28, 2011, the Board is authorized to use the authorizations set forth here above to increase the share capital during a public offering.

Potential share capital

The potential share capital includes stock options and free shares as well as Oceane convertible bonds (“*Obligations à option de conversion et/ou d’échange en actions nouvelles ou existantes”)* issued in March 2011.

STOCK SUBSCRIPTION OPTION PLANS FOR EMPLOYEES, DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY AND ITS SUBSIDIARIES

	Tranche A	Tranche B	Tranche C	Tranche D	Tranche E	Tranche F	Tranche G	Tranche H
Date of Shareholders’ Meeting	March 18, 2003	July 25, 2003	April 20, 2004	June 10, 2004	July 8, 2004	December 14, 2004	Planned but not granted	September 20, 2005
			95% of the average opening share price over the twenty trading days preceding the grant date					
Subscription price	€5.37	€8.42	€10.36	€10.99	€13.93	€11.07	-	€11.01
Number of subscription options outstanding at December 31, 2011	0	0	1,056	0	0	14,406	-	19,611
Maximum dilution			0.00%			0.03%		0.04%

i.e. maximum share capital dilution of 0.07 percent at December 31, 2011.

STOCK SUBSCRIPTION AND PURCHASE OPTIONS GRANTED TO THE TEN NON-EXECUTIVE EMPLOYEES AND EXERCISED BY THEM IN 2011:

	Total stock options grants/ shares subscribed for or purchased	Shares granted Tranche A	Shares granted Tranche B	Shares granted Tranche C	Shares granted Tranche D	Shares granted Tranche E	Shares granted Tranche F	Shares granted Tranche H	Weighted average price of Tranches
Stock options granted during the year, by the issuer and by any company included in the stock option program, **to the ten employees** of the issuer and of any company included in the stock option program who there by received the highest number of stock options.	-	-	-	-	-	-	-	-	
Stock options granted by the issuer and the above-mentioned companies **and exercised,** during the year, **by the ten employees** of the issuer and of said companies who purchased or subscribed for the highest number of shares.	29,127	13,902	-	159	-	-	6,788	8,278	€8.33

Free share grants

Free share grants in 2011

In 2011, the Company did not grant free shares to Group employees, directors and executive officers.

Dilution caused by free share grants outstanding at December 31, 2011

At December 31, 2011, there were 542,949 free shares outstanding, for which the vesting period had not yet expired, representing a 1.04 percent dilution of the Company's share capital.

At the Board's option until the vesting date, these shares may be either existing or new shares.

Convertible Bonds ("Oceane")

On March 11, 2011, in accordance with the 13th and 16th resolutions of the Extraordinary General Meeting of May 11, 2010, the Company issued bonds representing a loan of 250 million euros, through 6,677,350 bonds convertible and/or exchangeable into new or existing shares, as part of a private placement without pre-emptive subscription rights.

This issue has been subject to a prospectus, approved by the AMF on March 3, 2011.

The main features detailed in the prospectus, are summarized below.

The nominal value of each bond was set at € 37.44

The annual actuarial rate is 2.75% (in the absence of conversion and/or exchangeable for shares and in the absence of early redemption).

The term of the loan is 5 years and 296 days. The normal amortization of the bonds is set on January 1, 2017 for redemption at par.

An early redemption of the bonds at the option of the Company is possible.

At any time, from March 11, 2011 and included seventh business day preceding the date of early redemption, bondholders may request the allocation of shares of the Company at a rate of one share per bond, subject to adjustment. The Company may in its discretion, deliver new shares or existing shares or a combination of both.

The percentage of maximum dilution of capital, linked to these bonds, is 12.84% on December 31, 2011.

The related prospectus regarding this issuance is available in French on the Company website (www.ingenico.com).

Authorization to repurchase shares

Repurchase by the Company of its own shares in 2011 (Article L.225-211 of the French Commercial Code):

At the Shareholders Meeting held on April 28, 2011, the Company's shareholders authorized the Company to launch a share repurchase program, a description of which was included in the registration document filed with the AMF on March 2, 2011. The launch of this program was decided by the Board on April 28, 2011.

This program cancels and replaces the program authorized under the eleventh Resolution approved by the Shareholders' Meeting of May 11, 2010.

Number of shares purchased and sold during the year

In 2011:

- 1,904,198 shares were repurchased under the liquidity contract at an average price of €28.41;
- 1,856,447 shares were sold under the liquidity contract at an average price of €28.40;
- 213,040 shares were purchased under mandates other than the liquidity contract at an average price of €27.12. The related trading fees totalled €10,366.69 (tax included).

Number and value of treasury shares at December 31, 2011

As a result of trading activity during the year, the liquidity contract showed a positive balance of 99,495 shares at December 31, 2011.

At that same date, the portfolio of Ingenico shares bought back by the Company for other purposes under the authorization granted by the Shareholders' Meeting on April 28, 2011 and previous authorizations totalled as of December 31, 2011 768,989 shares, repurchased at an average price of €19.46.

At December 31, 2011, the Company thus held a total of 868,484 treasury shares of which:

- 99,495 were purchased under the liquidity contract; and
- 768,989 were purchased for other purposes.

representing 1.67% of total share capital (which was 51,980,303 one-euro par value shares).

The value of the portfolio at the balance sheet date was as follows:

- cost: €17,683,461;
- market value: €24,230,703.60 on the basis of the closing price on December 30, 2011, i.e. €27.90.

Use of treasury shares, including transfers for other purposes

During 2011, 267,750 treasury shares were granted to beneficiaries of free share plans.

None of those shares were transferred to other accounts in 2011.

During the past 24 months, 250,000 shares held by the Company were cancelled in the framework of the authorizations granted by the shareholders' meeting.

Description of the share repurchase program (pursuant to Article 241-2 of the General Regulation of the Autorité des Marchés Financiers):

At their meeting of May 3, 2012 the shareholders will be asked to approve a new authorization for the Company to trade in its own shares on the following terms:

"The shareholders, having met the conditions required for ordinary meetings as to quorum and majority, and having reviewed the Management Report, hereby authorize the Board of Directors, in accordance with Articles L.225-209 *et seq.* of the French Commercial Code, Articles 241-1 to 241-6 of the General Regulation of the *Autorité des Marchés Financiers*, Regulation No. 2273/2003 of the European Commission of December 22, 2003 and the market practices authorized by the *Autorité des Marchés Financiers*, to trade in the Company's own shares on or off the stock market, and on one or more occasions.

The purpose of this authorization is to allow the Company to do the following:

- hold and use Company shares as a means of exchange or consideration in external growth transactions (in compliance with current laws and regulations and in accordance with standard market practice);
- use Company shares in connection with the exercise of rights attached to Company securities conferring immediate or future entitlement to Company shares through conversion, exercise, redemption or exchange, presentation of a warrant or any other manner, or carry out any hedging transactions in line with Company obligations concerning these securities, in accordance with stock market regulations and the periods in which the Board of Directors or the person authorized by the Board of Directors will act;
- implement any Company stock option plan in accordance with Articles L.225-177 *et seq.* of the French Commercial Code, any free share grant in accordance with Articles L.225-197-1 *et seq.* of the French Commercial Code, any free share grant to employees, directors and executive officers whether as part of their compensation, as a means to allow them to benefit from the growth of the Company, in the context of options exercised, employee shareholding or corporate savings plans, and to implement any hedging transactions related to these programs under the terms set out by the market authorities and the periods in which the Board of Directors or the person authorized by the Board of Directors will act;
- maintain a liquid market for the Company's shares via a liquidity contract with an independent investment service provider that complies with a code of ethics approved by the Autorité des Marchés Financiers;
- cancel all or part of the Company shares purchased as part of a capital reduction, provided that the Nineth Resolution is passed by this Meeting;
- generally pursue any aims permitted by law or engage in any practices accepted by the market authorities, it being understood that in such cases, the Company would issue a statement to inform its shareholders.

The shareholders hereby resolve that share acquisitions made pursuant to this authorization may under no circumstances allow the Company to hold more than 10 percent of total share capital at the date of purchase after deducting the number of shares resold during the life of the program to maintain a liquid market for the Company's shares. The share acquisitions made by the Company may under no circumstances allow the Company to hold more than 10 percent of total share capital, either directly or indirectly. Consequently, on the basis of the share capital at December 31, 2011 (divided into 51,980,303 shares), and given that the Company held 868,484 treasury shares at that date, the Company would be authorized to purchase up to a ceiling of 4,329,546 shares.

Such share acquisitions may be made by all possible means that are in accordance with current stock market legislation and the code of accepted market practice published by the Autorité des Marchés Financiers, including, where applicable, trading in derivatives and options on regulated or over-the-counter markets, provided that use of such means does not significantly increase the volatility of the Company's share price.

The Company reserves the right to make block purchases of stock or to make purchases of stock through a multilateral trading facility or a systematic internalizer. No limit is set on block purchases. The Company also reserves the right to extend the current authorization to trade in the Company's own shares in the event of public tender or exchange offers involving the Company's stock, or in the event of a public tender offer initiated by the Company, in accordance with current market regulations.

The purchase price per share is not to exceed €50. On the basis of share capital at December 31, 2011, the maximum consideration the Company could pay in the event that it were to purchase shares at the maximum price of €50 would be €216,477,300, with the treasury shares held by the Company at that date included in this ceiling.

In the event of capital increases carried out through capitalization of reserves, of free share grants, of stock splits or reverse splits, of depreciation or reduction of the share capital, or of any other transaction affecting the share capital, the aforementioned price shall be adjusted by a multiplier equal to the ratio between the number of shares that made up the share capital prior to the transaction and the number of shares after the transaction.

In order to ensure fulfillment of the present authorization, the Board of Directors is hereby granted the necessary powers, with the option of sub-delegation, to implement the present authorization, in particular to decide whether a share buyback program is appropriate and to determine the procedures for carrying out such a program, to draft and issue a fact sheet about the program, to place all orders on the stock market, to sign all deeds of transfer or assignment, to make all agreements for the keeping of records of share purchases and sales, to carry out any and all filings to the *Autorité des Marchés Financiers* and any other body, as well as any and all other formalities, notably allocating or reallocating purchased shares to the different formalities, and generally to do whatever is necessary.

The Board of Directors will be presenting the shareholders at their Meeting with the report defined in Article L.225-100 of the French Commercial Code informing them of the present program.

The present authorization is hereby granted for a period of eighteen months from the date of this Meeting and cancels and replaces the authorization granted to the same effect by the Annual Shareholders' Meeting of April 28, 2011."

Breakdown of shares held at February 29, 2012 by use:

28,795 of the 785,976 shares held at February 29, 2012 were used in the liquidity contract in compliance with the code of ethics approved by the *Autorité des Marchés Financiers*.

The shares held at February 29, 2012 are essentially kept to be granted to employees, directors and executive officers of the Company or of affiliated companies by granting stock options or by granting shares free of consideration, whether as part of their compensation, as a means to allow them to benefit from the growth of the Company, in the context of options exercised or in the context of employee shareholding and corporate savings plans.

Authorization to reduce the share capital

At their Meeting of April 28, 2011,, the shareholders authorized the Company, in the Thirteenth Resolution, to reduce the share capital by cancellation of treasury shares.

This authorization was not implemented in 2011.

At their Meeting of May 3, 2012, the shareholders will be asked to approve a new authorization on the following terms:

"The shareholders, having met the conditions required for extraordinary meetings as to quorum and majority, and having reviewed the Management Report and the Statutory Auditors' report, hereby authorize the Board of Directors, with the option of sub-delegation to any person authorized under legislative and regulatory provisions, to cancel Company shares purchased in accordance with Article L. 225-209 of the French Commercial Code, on one or more occasions within a limit of 10% of share capital at the time the cancellation resolution is taken subject to adjustments to be made to this limit to reflect any cancellations operated during the preceding 24-month period, and to reduce the share capital by the same amount in accordance with the applicable statutory and regulatory rules.

The Board of Directors is hereby granted the necessary powers, with the option of delegation, to:

- reduce the share capital by cancellation of shares;
- establish the amount of the capital reduction;
- set the terms and report the completion of the transaction;
- recognize the difference between the carrying amount of cancelled shares and their par value in additional paid-in capital;
- generally, do whatever is necessary to implement this authorization, amend the Articles of Association accordingly and carry out any required formalities.

This authorization cancels any previous authorization with the same purpose and is granted for a period of 18 months as of the date of this Shareholders' Meeting."

7.3 SHARE OWNERSHIP

7.3.1 SHARE OWNERSHIP AT DECEMBER 31, 2011

For the purposes of this document and in accordance with the AMF's recommendation of December 10, 2009, voting rights are comprised exclusively of those that may be exercised at a general meeting of shareholders and therefore do not include shares whose voting rights have been suspended, such as treasury shares.

Shareholders	No. of shares	% of shares	No. of voting rights	% of voting rights (1)
Morpho (2)	11,770,116	22.64%	19,640,232	29.92%
Concert Consellior (4)	1,120,000	2.15%	2,234,114	3.40%
Thibault Poutrel	784,619	1.51%	1,569,238	2.39%
Michel Malhouitre (5)	659,279	1.27%	1,318,558	2.01%
Nadège Poutrel (6)	517,668	1.00%	1,029,883	1.57%
Maxime Poutrel (6)	445,556	0.86%	888,250	1.35%
Tessa Poutrel (6)	443,179	0.85%	883,526	1.35%
Jean-Jacques Poutrel (6)	294,517	0.57%	573,040	0.87%
SUBTOTAL	**16,034,934**	**30.85%**	**28,136,841**	**42.86%**
FMR LLC	2,914,358	5.60%	3,423,009	5.22%
Jupiter (3)	2,684,396	5.16%	2,684,396	4.09%
BNP Paribas Asset Management	1,306,051	2.51%	1,306,051	1.99%
Allianz Global Investors	1,039,055	2.00%	1,039,055	1.58%
HSBC Plc	1,011,862	1.95%	1,011,862	1.54%
MAIN SHAREHOLDERS	**24,990,656**	**48.07%**	**37,601,214**	**57.29%**
Employee shareholdership	131,661	0.25%	131,661	0.20%
Treasury shares	868,484	1.67%		
of which, shares held under the liquidity agreement	*99,495*	*0.19%*		
Other shareholders (bearer and registered)	25,989,502	50.00%	27,902,225	42.51%
TOTAL	**51,973,366**	**100%**	**65,635,100**	**100%**

(1) Shares that have been registered for over two years have double voting rights. These double voting rights are based on information in the Register of Shareholders managed by Caceis Corporate Trust.
(2) Morpho is controlled by the Safran group (3,030 shares are held through a consumer loan by the three co-opted Directors on February 25, 2011).
(3) Based on the most recent information of regulatory threshold crossing declaration made by Jupiter to AMF on October 6, 2011 (crossing occurred on September 30, 2011).
(4) Based on the most recent information received by the Company from Consellior on November 8, 2011.
(5) Including 31,500 shares hold as bare owner (children as beneficial ownership).
(6) Jean-Jacques Poutrel has established joint bare ownership with Tessa Poutrel (210,000 shares), Maxime Poutrel (210,000 shares) and Nadège Poutrel (210,000 shares). Jean-Jacques Poutrel is the beneficial owner of these 630,000 shares. The members of the Poutrel family declared that they have been pursuing an independent voting policy since the end of 2003.
(7) The members of the Board hold a total of 2,159,522 shares with 4,022,975 voting rights. This represents 4.15 percent of share capital and 6.13 percent of the 65,635,100 voting rights that may be exercised.

To the best of the Company's knowledge, there is no other shareholder who directly or indirectly owns, either alone or in concert, over 2 percent of share capital or voting rights.

To the best of the Company's knowledge, there has been no other significant change since December 31, 2011.

The Company is not controlled by another company, within the meaning of article L.233-3 of the French Commercial. Consequently, there is no agreement that could bring about a change in control at some future date.

7.3.2 CHANGES IN SHARE OWNERSHIP OVER THE PAST THREE YEARS

For the purposes of this document and in accordance with the AMF's recommendation of December 10, 2009, voting rights are only those that may be exercised at a general meeting of shareholders and therefore do not include shares whose voting rights have been suspended, such as treasury shares.

Shares that have been registered for over two years have double voting rights. Pursuant to Article L.225-124, Paragraph 1 of the French Commercial Code, double voting rights are rendered null and void ipso jure when shares are converted into bearer form or if their ownership is transferred. Nevertheless, transfers through inheritance, the liquidation of marital assets, *inter vivos* transfers to a spouse or direct relative or transfers resulting from the merger or demerger of a shareholding company do not result in the loss of double voting rights.

	December 31, 2011				December 31, 2010				December 31, 2009			
	Number of shares	% of shares	Number of voting rights	% of voting rights	Number of shares	% of shares	Number of voting rights	% of voting rights	Number of shares	% of shares	Number of voting rights	% of voting rights
Morpho	11,770,116	22.64%	19,640,232	29.92%	11,630,206	22.58%	22,826,405	32.90%	10,882,631	22.37%	10,882,631	19.83%
Concert Consellior	1,120,000	2.15%	2,234,114	3.40%	1,909,132	3.71%	3,768,401	5.43%	2,477,996	5.09%	3,340,506	6.09%
Thibault Poutrel	784,619	1.51%	1,569,238	2.39%	831,519	1.61%	1,663,038	2.40%	791,923	1.63%	1,583,846	2.88%
Michel Malhouitre	659,279	1.27%	1,318,558	2.01%	702,279	1.36%	1,404,558	2.02%	668,838	1.38%	1,337,676	2.44%
Nadège Poutrel	517,668	1.00%	1,029,883	1.57%	523,931	1.02%	1,036,146	1.49%	493,752	1.01%	981,576	1.79%
Maxime Poutrel	445,556	0.86%	888,250	1.35%	452,694	0.88%	896,331	1.29%	427,096	0.88%	849,608	1.55%
Tessa Poutrel	443,179	0.85%	883,526	1.35%	448,403	0.88%	891,995	1.29%	427,051	0.88%	849,520	1.55%
Jean-Jacques Poutrel	294,517	0.57%	573,040	0.87%	294,697	0.57%	553,837	0.80%	266,026	0.55%	512,827	0.93%
SUBTOTAL	**16,034,934**	**30.85%**	**28,136,841**	**42.86%**	**16,792,861**	**32.61%**	**33,040,711**	**47.62%**	**16,435,313**	**33.79%**	**20,338,190**	**37.06%**
FMR LLC	2,914,358	5.61%	3,423,009	5.22%	2,849,800	5.53%	3,385,481	4.88%	2,440,332	5.02%	2,440,332	4.45%
Jupiter	2,684,396	5.16%	2,684,396	4.09%	2,276,801	4.42%	3,492,594	5.03%	3,910,386	8.04%	6,634,853	12.09%
BNP Paribas Asset Management	1,306,051	2.51%	1,306,051	1.99%								
Allianz Global Investors	1,039,055	2.00%	1,039,055	1.58%								
HSBC Plc	1,011,862	1.95%	1,011,862	1.54%								
MAIN SHAREHOLDERS	24,990,656	48.07%	37,601,214	57.29%	21,919,462	42.55%	39,918,786	57.54%	22,786,031	46.85%	29,413,375	53.59%
Other shareholders (bearer and registered)	26,121,163	50.25%	28,033,886	42.71%	28,328,804	54.99%	29,064,313	41.89%	24,489,146	50.35%	25,471,061	46.41%
Treasury shares	868,484	1.67%			875,443	1.70%	-	-	1,361,958	2.80%	-	-
TOTAL	**51,980,303**	**100%**	**65,635,100**	**100%**	**51,511,971**	**100%**	**69,379,303**	**100%**	**48,637,135**	**100%**	**54,884,436**	**100%**

7.3.3 DIVIDEND DISTRIBUTION POLICY

Ingenico has no particular dividend distribution policy based on pre-determined criteria. The Board of Directors decides on the size of dividend payments, based on the Company's results of operations, financial condition and investment policy.

The Ingenico Board of Directors will be proposing that the shareholders vote at their Annual Meeting of May 3, 2012 the distribution of a dividend of € 0.50 per share payable in cash or in shares, in respect of 2011.

Fiscal year for which dividends are paid	Net dividend per share *(in €)*	Dividend distribution date
2011	0.50	Subject to approval by the shareholders at their Annual Meeting of May 3, 2012
2010	0.35	May 31, 2011
2009	0.30	6/15/2010
2008	0.25	6/18/2009
2007	0.25	2008

Five years after the distribution date, all unclaimed dividends will be forfeited and paid to the French Treasury.

7.3.4 SHARE OWNERSHIP THRESHOLDS CROSSED IN 2011

Regulatory thresholds

The complete version of the following declarations regarding the crossing of thresholds can be viewed online on the AMF website.

Shareholder	AMF Ruling No.	AMF Ruling Date	Date threshold was crossed	Threshold	Direction (upward/ downward)
FMR LLC	n° 212C0152	January 27, 2012	January 25, 2012	5% voting rights	downward
FMR LLC	n° 212C0138	January 26, 2012	January 20, 2012	5% voting rights	downward
Jupiter asset management acting for the funds and clients	n° 211C1835	October 10, 2011	September 30, 2011	5% capital	upward
FMR LLC	n° 211C1305	July 20, 2011	July 13, 2011	5% voting rights	upward
FMR LLC	n° 211C0822	May 31, 2011	May 26, 2011	5% voting rights	downward
Alliance (*) Allan Green – Raiffeisen Centrobank AG	n° 211C0709	May 18, 2011	July 30, 2011 April 29, 2011	5% capital 5% voting rights	downward downward
MORPHO	n° 211C0672	May 13, 2011	May 9, 2011	30% voting rights	downward
FMR LLC	n° 211C0307	March 14, 2011	March 9, 2011	5% capital	upward

(*) Shareholders agreement signed by Candel & Partners S.A.S, Consellior S.A.S., Mr. Allan Green and Raiffeisen Centrobank A.G.

Company threshold crossings

Shareholder	Date threshold was crossed	Direction (upward/ downward)	Threshold	Number of shares after crossing	% capital after crossing	% voting rights after crossing
Allianz Global Investors Luxembourg	January 6, 2012	upward	2% capital	1,046,062	2.012%	1.57%
Allianz Global Investors Luxembourg	December 30, 2011	downward	2% capital	1,039,055	1.999%	1.56%
Allianz Global Investors Luxembourg	December 28, 2011	upward	2% capital	1,041,275	2.003%	1.56%
Concert Consellior (*)	November 4, 2011	downward	4% voting rights	1,120,000	2.16%	3.34%
HSBC	September 29, 2011	downward	2% capital	1,011,862	1.948%	1.512%
BNP Paribas Asset Management	August 1st, 2011	downward	2% voting rights	1,501,021 (1,217,157 shares and 283,864 convertible bonds)	2.8893% (2.3429% for shares and 0.5464% for convertible bonds)	1.9198% (1.6136% for shares and 0.3062% for convertible bonds)
BNP Paribas Asset Management	July 25, 2011	upward	2% voting rights	1,630,753 (1,336,889 shares and 293,864 convertible bonds)	3.1397% (2.5734% for shares and 0.5657% for convertible bonds)	2.1136% (1.7925% for shares and 0.3211% for convertible bonds)
HSBC	July 20, 2011	upward	2% capital	1,129,172	2.174%	1.686%
BNP Paribas Asset Management	July 19, 2011	downward	2% voting rights	1,445,937 (1,152,073 shares and 293,864 convertible bonds)	2.7833% (2.2176% for shares and 0.5657% for convertible bonds)	1.8373% (1.5162% for shares and 0.3211% for convertible bonds)
MORPHO	May 9, 2011	downward	32% and 30% voting rights	11,631,285	22.58%	29.59%
Allianz Global Investors	May 4, 2011	upward	2% voting rights	1,050,402	2.02%	1.58%

(*) Mr Allan Green informed the Company that, on November 4, 2011, Consellior group and Raiffeisen Centro Bank AG, ended the shareholders agreement that brought them together, since November 23, 2006.Since then, the concert is made up of Consellior SAS, Candel and Partners SAS and Mr Allan Green.

7.3.5 SHAREHOLDER AGREEMENTS

AMF Ruling and Notice No. 206C2177

In a letter dated November 30, 2006 and received that day, the Autorité des Marchés Financiers (AMF) was provided with a copy of an agreement signed on November 23, 2006 by Candel & Partners S.A.S.,[(1)] FBT S.C.A. (formerly Financière de Tayninh S.C.A.),[(2)] Consellior S.A.S.[(3)] and Mr. Allan Green with Raiffeisen Centrobank A.G.[(4)] (hereinafter “RCB”), which reiterated the terms of and replaced the shareholders’ agreement that these Ingenico shareholders entered into on October 4, 2004 to take concerted action with respect to the company Ingenico (see Ruling and Notice No. 204C1192 of October 7, 2004 and Ruling and Notice No. 204C1198 of October 11, 2004).

The parties to said agreement of November 23, 2006 have stated that they continue to act in concert with respect to Ingenico.

(1) Company controlled by Mr. Allan Green, 4 avenue Hoche, 75008 Paris.
(2) Limited partnership wholly owned by Candel & Partners, 4 avenue Hoche, 75008 Paris.
(3) Simplified joint-stock company controlled by Mr. Allan Green, 4 avenue Hoche, 75008 Paris.
(4) A Raiffeisen group company, Tegetthoffstrasse 1, A-1010 Vienna, Austria.

On November 23, 2006, the parties jointly held 2,313,347 Ingenico shares and 3,105,726 voting rights, representing 7.23 percent of the Company's share capital and 8.30 percent of its voting rights,(1) broken down as shown below:

	Shares	% share capital	Voting rights	% voting rights
Allan Green	70,000	0.22	70,000	0.19
Consellior SAS	10,000	0.03	10,000	0.03
Candel & Partners SAS	464,004	1.45	811,383	2.17
FBT SCA	543,616	1.70	988,616	2.64
RCB	1,225,727	3.83	1,225,727	3.28
TOTAL IN CONCERT	**2,313,347**	**7.23**	**3,105,726**	**8.30**

The preamble to the agreement of November 23, 2006 includes a mutual commitment by the parties to continue to inform each other of any plan to purchase, subscribe for or sell securities prior to carrying out any transaction on the market or over the counter (except for those involving a total of less than 10,000 securities) and to confer with each other prior to any shareholders' meeting to adopt a joint position.

The main terms of this agreement are:

Mutual right of first refusal (2):

In the event that one of the parties to this agreement intends to transfer all or some of its/his shares, said party (the "Offeror") shall be required to provide a written notice of offer, either to RCB, if the Offeror is Consellior S.A.S. or any company controlled by Mr. Allan Green, or to Consellior S.A.S., if the Offeror is RCB (3).

Either RCB, if the Offeror is Consellior S.A.S. or any company controlled by Mr. Allan Green, or Consellior S.A.S., if the Offeror is RCB, shall have five trading days, following receipt of a bona fide offer, to give notice of acceptance of the offer's terms and conditions. If the beneficiary of the mutual right of first refusal fails to do so within this time limit, he/it shall be deemed to have irrevocably waived this right. The Offeror may reject the exercise of this right if it involves a total number of shares that is lower than the number of shares in the initial notice of offer.

Notice of offer to the other parties to the shareholders' agreement shall be considered an irrevocable offer by the Offeror to sell the shares offered to said parties. The price to be paid to the Offeror by the beneficiary for said securities shall be equal to the price indicated in the offer, which shall be equal, in the case of an identified transferee, either to the price proposed by the latter, if the offer takes the form of an outright sale, or to the price proposed in good faith by the Offeror, if the shares are offered for valuable consideration other than in the form of an outright sale, or if the shares are offered without valuable consideration.

If, on the last day of the allotted five-day time limit, the beneficiary has not exercised his/its right of first refusal for a number of shares equal at least to the number of shares offered, the Offeror may, as of that date, transfer the shares offered, provided that the transfer is accomplished within the 10 trading days following the above-mentioned expiration date and that it is carried out at exactly the same price as the one mentioned in the initial offer.

If the Offeror is unable to prove to the beneficiary that these conditions have been met, the transfer cannot be completed, and with regard to the shares included in his offer, the Offeror will once again be bound by the shareholders' agreement in the event of any subsequent offer of shares.

In compliance with current stock market regulations, these provisions shall be applicable even in periods of public share offerings, it being understood that the beneficiary shall have a time limit that expires five trading days prior to the closing date for the public offering to furnish written notice of his acceptance of the offer to the Offeror. Subject to compliance with current stock market regulations, the transfer of the shares in the offer shall be completed no later than two trading days prior to the closing date for the public offering. The price per share will be determined as follows:

- in the case of a public tender offer or an alternative offer, the price shall be equal to the final offering price indicated in the offer clearance decision.
- in the case of a public offer of exchange or a combined tender/exchange offer, the price shall be equal to the average opening share price in the first 10 trading days following the start of the public offer.

In the event of higher bids or rival offers, the price shall be equal to the highest bid.

(1) On the basis of share capital comprising 32,007,076 shares and 37,408,654 voting rights.

(2) Any transfer within the Consellior group and any transfer between the Offeror and any company or other legal entity controlled by the Offeror, that controls the Offeror or is controlled by any company or other legal entity that controls the Offeror, within the meaning of "control" set forth in Article L.233-3 of the French Commercial Code, may be freely undertaken and is therefore exempt from the right of first refusal, provided that the transferee has previously approved the terms and conditions herein as a party to the shareholders' agreement.

(3) Transfer or waiver of subscription rights or rights to share allotments, as well as any change in control affecting a legal entity that is a party to the shareholders' agreement, shall be considered a transfer.

Early termination of the shareholders' agreement:

The parties to the shareholders' agreement have agreed that they may under no circumstances jointly hold more than 30 percent of Ingenico's share capital and/or voting rights.

In the event that, following the acquisition by whatever means of additional shares by one of the parties to the shareholders' agreement, the aggregate shareholdings of the parties were to exceed 30 percent of Ingenico's share capital and/or voting rights, the shareholders' agreement would be terminated by right and without formalities.

Term of the shareholders' agreement:

The shareholders' agreement shall continue to be binding on the parties, each of whom shall refrain from entering into any similar agreement with third parties for as long as the aggregate shareholdings of the parties represent at least five per cent of Ingenico's share capital or voting rights, and for a period not to exceed 24 months as of November 23, 2006, subject to tacit renewal for successive periods of 12 months, unless any of the parties should terminate the agreement by written notice to the other parties at least three months prior to the date of expiration.

It should, however, be understood that in the event of any duly noted disagreement between the parties as to the joint position they should take at any meeting of this company's shareholders, each party may withdraw from the shareholders' agreement by giving the other parties 20 days prior notice in writing, with the understanding that the provisions governing the right of first refusal shall remain in effect until the 24-month time limit starting November 23, 2006 has expired.

Amendment of the shareholders agreement:

On November 8, 2011, Mr Allan Green informed the Company and the AMF that, on November 4 2011, Consellior group and Raiffeisen Centro Bank AG, ended the shareholders agreement that brought them together, since November 23, 2006.

Since then, the concert is made up of Consellior SAS, Candel and Partners SAS and Mr Allan Green and holds 2.15% of the capital and 3.40% of the voting rights.

7.4 INGENICO SHARE MARKET

7.4.1 LISTING

Ingenico share is listed on Euronext Paris-Eurolist A and is included in SBF120 index.

Ingenico announced the evolution of its ICB (Industry Classification Benchmark) classification from Industrial Goods and Services to Technology from March 19, 2012 on. Ingenico has also been included among the components of the Stoxx Europe 600 index from December 19, 2011 on.

At the end of December 2011, Ingenico share price closed at €27.9 and market capitalization reached €1.45 billion.

7.4.2 SHARE PRICE EVOLUTION (ISIN: FR0000125346) AND VOLUME OF TRANSACTIONS OVER 18 MONTHS

Month	High	Low	Volume traded *(in millions of shares)*	Close	Volume *(in million euros)*	Average
July 2010	19.7	17.15	1.82	19.4	33.85	18.62
August 2010	19.85	18.52	1.39	19.24	26.58	19.15
September 2010	21.58	19.21	2.12	21.43	43.45	20.53
October 2010	22.5	20.61	1.87	21.68	40.39	21.57
November 2010	24.58	21.3	3.81	22.9	89.18	23.39
December 2010	28.15	22.9	5.8	27.1	151.3	26.09
January 2011	29.095	26.4	3.71	27.125	100.42	27.10
February 2011	27.85	25.71	2.06	27.44	56.31	27.28
March 2011	31.73	24.34	6.85	31.595	213.04	31.12
April 2011	33.735	30.805	3.78	33.505	126.22	33.39
May 2011	33.94	29.33	4.02	32.235	129.56	32.26
June 2011	34.35	30.6	3.24	33.62	108.08	33.34
July 2011	35.1	28.61	2.53	29.405	74.67	29.50
August 2011	29.88	22.12	4.33	28.425	122.34	28.25
September 2011	29.665	25.75	2.42	28.19	68.10	28.15
October 2011	29.42	26.3	2.62	28.605	74.98	28.62
November 2011	31.2	26.86	3.01	29.115	87.73	29.15
December 2011	30.19	26.22	2.09	27.9	57.90	27.75
January 2012	32.48	27.71	2.36	32.08	70.42	29.84
February 2012	36.59	31.63	3.30	35.93	111.61	33.84

8

ADDITIONAL INFORMATION

8.1 AVAILABLE DOCUMENTS

The Articles of Association and the parent company and consolidated financial statements for the last three fiscal years may be consulted by appointment at the registered office and viewed online at ingenico.com/en/finance.

8.2 ANNUAL INFORMATION DOCUMENT

Drawn up in accordance with Article 222-7 of the General Regulation of the Autorité des marchés financiers

8.2.1 HALF-YEARLY FINANCIAL REPORT

July 28, 2011	2011 half year results

This document can be viewed online at www.ingenico.com/en/finance.

8.2.2 QUARTERLY FINANCIAL INFORMATION

April 27, 2011	2011 first quarter revenue
October 25, 2011	2011 third quarter revenue

These documents can be viewed online at www.ingenico.com/en/finance.

8.2.3 SHARE BUYBACKS

Description of the share buyback program included in Chapter 7 of the present registration document.

Weekly disclosures of trading in own shares:

- disclosure of trading, March 5-9, 2012
- disclosure of trading, December 19-23, 2011
- disclosure of trading, December 12-16, 2011
- disclosure of trading, December 5-9, 2011
- disclosure of trading, November 28-December 2, 2011
- disclosure of trading, November 21-25, 2011
- disclosure of trading, October 31-November 4, 2011
- disclosure of trading, October 10-14, 2011
- disclosure of trading, October 3-7, 2011
- disclosure of trading, September 19-23, 2011
- disclosure of trading, August 22-26, 2011
- disclosure of trading, August 15-19, 2011
- disclosure of trading, August 8-12, 2011
- disclosure of trading, August 1st-5, 2011
- disclosure of trading, July 25-29, 2011
- disclosure of trading, May 16-20, 2011

Liquidity contract

- Half-yearly liquidity contract statement at June 30, 2011.
- Termination of a liquidity contract and implementation of a new one at November 15, 2011.
- Liquidity contract statement at December 31, 2011.

These documents can be viewed online at www.ingenico.com/en/finance/regulated information.

8.2.4 PRESS AND NEWS RELEASES

March 21, 2012	Ingenico pursues the internationalization of easycash in the Netherlands
March 21, 2012	The Board of Directors will propose to the next AGM resolutions aimed at improving its governance
March 19, 2012	Ingenico: appointments and creation of a Finance and Operations Director
March 13, 2012	Prepaid Solution for Siemens from easycash Loyalty Solutions, an Ingenico company
March 7, 2012	Ingenico welcomes reclassification to Technology sector and inclusion in the DJS600
February 29, 2012	Ingenico is rolling out its international strategy on e-Health and e-ID
February 23, 2012	Q4 Revenue and Annual Results for 2011
February 6, 2012	Implementation of the mandatory withdrawal for Xiring shares
January 5, 2012	Press release in relation to the filing of the tender offer (Xiring)
December 14, 2011	Press release in relation to the intended filing of the tender offer (Xiring)
December 5, 2011	Success of the tender offer for Xiring
November 14, 2011	Ingenico launches a contractual voluntary tender offer for Xiring Shares
October 25, 2011	2011 Q3 revenue
August 30, 2011	Ingenico confirms its absence of interest for all or part of the activities of Hi Media
August 29, 2011	Ingenico acquires TNET to expand its technical services coverage in Italy
July 28, 2011	H1 2011 Interim results
July 5, 2011	easycash and Ingenico Company expands its footprint in Belgium
May 13, 2011	Ingenico takes note of the decision of the U.S. Department of Justice
May 4, 2011	Payment of the dividend in shares
May 3, 2011	Ingenico: Appointments at the management Board
April 28, 2011	Ingenico shareholder's meeting, all resolutions passed
April 28, 2011	Ingenico denies any interest in Hi Media
April 27, 2011	Ingenico Q1 revenue: A very good start to the year
April 4, 2011	Ingenico agrees to acquire Hypercom's U.S. Payment Systems Business
March 15, 2011	Ingenico: no significant impact related to the events in Japan
February 28, 2011	2010 annual results: an outstanding year for Ingenico
January 18, 2011	Ingenico: Particularly strong performance in Q4 2010
January 6, 2011	Ingenico strengthens its Management Board

All of these releases can be viewed online at www.ingenico.com/finance.

8.2.5 INVESTOR PRESENTATIONS

January 5, 2012	Oddo Mid Cap Forum
November 17, 2011	Morgan Stanley TMT Conference
September 13, 2011	Goldmann Sachs Fin Tech Conference – New-York
September 8, 2011	Deutsche Bank – European TMT Conference – London
June 22, 2011	Investor presentation
May 16, 2011	UBS Pan European Small & Mid Cap Conference – London
May 6, 2011	Société Générale IB 6th Mid & Small Cap Conference – Nice (France)
January 6, 2011	Oddo Mid Cap Forum

These documents can be viewed online at: www.ingenico.com/en/finance

8.2.6 STATEMENTS ON THE SUBMISSION OF DOCUMENTS

- Statement of July 29, 2011 on the submission of the half-yearly financial report at June 30, 2011.
- Statement of April 28, 2011 on the submission of the 2010 Annual Financial Report.
- Statement of April 6, 2011 on the submission of the 2010 Registration Document.
- Statement of March 14, 2011 on the procedures for providing or consulting preparatory materials for the shareholders' meeting.

These statements were filed with the AMF. They can be viewed in French on the Company website, www.ingenico.com.

8.2.7 INFORMATION ON THE TOTAL NUMBER OF VOTING RIGHTS AND SHARES

This information is filed monthly with the AMF. It can be viewed in French on the Company website, www.ingenico.com/en/finance.

8.2.8 OTHER STATEMENT

MAY 31, 2011: RELEASE IN RELATION TO THE PAYMENT OF STOCK DIVIDEND FOR 2010

This statement was filed with the AMF. They can be viewed in French on the Company website, www.ingenico.com.

8.2.9 PRESS RELEASES ON THE ISSUANCE OF OCEANE BONDS

March 15, 2011	Oceane Bond: Prospectus
March 4, 2011	Oceane Bond: Greenshoe
March 3, 2011	Oceane Bond: Visa of the *Autorité des marchés financiers*
March 3, 2011	Oceane Bond: Final terms
March 3, 2011	Oceane Bond: increase of the range of the issuance premium
March 3, 2011	Statement on the issuance of Oceane Bonds

Access to such information is only available to French residents who are physically present in France.

These press releases were filed with the AMF and are available in French on the Company web site www.ingenico.com.

8.2.10 PUBLICATIONS IN THE *BULLETIN DES ANNONCES LÉGALES OBLIGATOIRES* (BULLETIN OF MANDATORY LEGAL NOTICES)

These notices can be viewed on the website www.journal-officiel.gouv.fr/balo.

Date of publication	Object of publication
March 26, 2012	Pre-notice of shareholders' meeting dated May 3, 2012
August 29, 2011	2010 annual financial statements
April 11, 2011	Notice of the shareholders' meeting
March 21, 2011	Pre-notice of shareholders' meeting dated April 28, 2011

8.2.11 FILINGS WITH THE NANTERRE COMMERCIAL COURT REGISTRY

All deeds filed can be viewed on the website www.infogreffe.fr and consulted at the Nanterre Commercial Court Registry (Greffe du Tribunal de Commerce de Nanterre).

Filing date and number	Object of filing
Filing No. 1143 of January 11, 2012	Capital increase and updating of the Articles of Association
Filing No. 17807 of June 10, 2011	Capital increase and updating of the Articles of Association
Filing No. 14998 of May 16, 2011	Amendments and updating of the Articles of Association
Filing No. 14726 of May 12, 2011	Change of Directors
Filing No. 8964 of March 18, 2011	Co-optation of Directors

8.2.12 FILINGS WITH THE PARIS COMMERCIAL COURT REGISTRY

All deeds filed can be viewed on the website www.infogreffe.fr and consulted at the Paris Commercial Court Registry (Greffe du Tribunal de Commerce de Paris), pursuant to the transfer of the Companies Registered Office at January 30, 2012.

Filing date and number	Object of filing
Filing No.15612 of February 14, 2012	Transfer of Registered Office/ List of previous registered offices / updated Articles of Association

8.3 PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND THE FINANCIAL STATEMENTS

8.3.1 ATTESTATION OF THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND THE FINANCIAL STATEMENTS

"I hereby certify that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document, to the best of my knowledge, conforms to the facts and contains no omission likely to affect the fairness of the presentation."

I hereby certify that, to the best of my knowledge, the financial statements are prepared in accordance with the applicable accountancy standards and provide a true image of the assets, the financial position and the results of the Company and of all the consolidated companies, and in the Management Report, provides a fair image of the progreess of the business results and the financial position of the Company and of all consolidated companies as well as a description of the main risks and uncertainties which all these companies face.

I have received an audit completion letter from the statutory auditors in which they state that they have verified the information regarding the financial position and financial statements presented in this Registration Document and that they have reviewed the entire Registration Document.

The consolidated financial statements of the year ended December 31, 2011 provided at Chapter 5 of the present registration document were the object of legal auditors' report provided page 170 of the present RD and includes the following observation:

"Without qualifying our opinion, we draw your attention to the matter set out in Note 27 to the consolidated financial statements regarding the state of the outstanding tax assessments regarding the Brazilian subsidiary of Ingenico SA at December 31, 2011."

The report of the statutory auditors on the consolidated financial statement of year ended December 31, 2010 detailed pages 122 and 123 of the registration document for the year ended December 31, 2010 filed by the AMF on March 2, 2011 under the number D.11-0084 incorporated by reference with the corresponding historical accounts, contains the following observation:

"Without qualifying our opinion, we draw your attention to:

- the matter set out without qualifying our opinion, we draw your attention to the matter set out in Note 27 to the consolidated financial statements regarding the state of the outstanding tax assessments regarding the Brazilian subsidiary of Ingenico SA at December 31, 2010;
- the impact of the adoption of IFRS3 with effect from January 1, 2012, in particular concerning the acquisition of the additional shareholding in Fixed & Mobile Pte Ltd (note 12)."

Philippe Lazare

Chairman and Chief Executive Officer

8.3.2 PERSONS RESPONSIBLE FOR FINANCIAL INFORMATION

Patrice Durand, Chief Financial and Operations Officer
(+33 1 58 01 85 92)

Catherine Blanchet, Director of Investor Relations
(+33 1-58 01 85 68, finance@ingenico.com)

8.4 PERSON RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS AND THE FEES

8.4.1 INFORMATION ON STATUTORY AUDITORS

Statutory and Alternate Auditors

Statutory Auditor

KPMG Audit IS S.A.S.

(512 802 653 RCS Nanterre)
Immeuble "Le Palatin"
3, cours du Triangle - 92939 Paris-La Défense Cedex
Represented by Mr Jean-Pierre Valensi
KPMG Audit IS S.A.S. is a member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles* (the Versailles Regional Association of Statutory Auditors).

First appointed: May 11, 2010

Alternate Auditor

KPMG Audit ID S.A.S.

(512 802 489 RCS Nanterre)
Department of KPMG S.A.
Immeuble "Le Palatin"
3, cours du Triangle - 92939 Paris-La Défense Cedex
KPMG Audit ID S.A.S. is a member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

First appointed: May 11, 2010

KPMG Audit IS S.A.S. et KPMG Audit ID S.A.S. were appointed at the Annual Meeting of Shareholders of May 11, 2010 (7th resolution) for a term of 6 years, expiring at the close of the Annual Meeting of Shareholders called to approve the financial statements for the year ending December 31, 2015, to be held in 2016.

Statutory Auditor

Conseil Gestion Expertise Comptable

(722 016 706 RCS Paris)
111-113, rue de Reuilly - 75012 Paris
Represented by Ms Sophie BRULEBOIS
C.G.E.C. is a member of the *Compagnie Régionale des Commissaires aux Comptes de Paris*
(the Paris Regional Association of Statutory Auditors).

First appointed: June 9, 1989

Term renewed: May 11, 2010

Alternate Auditor

Mr Daniel BOULAY

111-113, rue de Reuilly – 75012 Paris
Mr Daniel BOULAY is a member of the *Compagnie Régionale des Commissaires aux Comptes de Paris*.

First appointed: June 9, 1989

Term renewed: May 11, 2010

The terms of C.G.E.C. and Mr Daniel BOULAY were renewed at the Annual Meeting of Shareholders of May 11, 2010 for a term of 6 years, expiring at the close of the Annual Meeting of Shareholders called to approve the financial statements for the year ending December 31, 2015, to be held in 2016.

8.4.2 AUDITORS' FEES

	KPMG				CGEC			
	Fees excl. VAT *(in thousands of euros)*		in %		Fees excl. VAT *(in thousands of euros)*		in %	
	2011	2010	2011	2010	2011	2010	2011	2010
Audit fees								
Statutory audits, certification, examination of separate and consolidated financial statements								
• Ingenico SA	627	551	44%	29%	238	163	57%	93%
• Fully consolidated subsidiaries	735	1,095	52%	58%	182	13	43%	7%
Other procedures and services directly related to statutory audit engagements								
• Ingenico SA		120	0%	6%			0%	
• Fully consolidated subsidiaries		31	0%	2%			0%	
SUB-TOTAL	**1,362**	**1,797**	**96%**	**96%**	**420**	**176**	**100%**	**100%**
Fees for other services rendered by the audit firms to fully consolidated subsidiaries								
Advisory on legal, tax and labor issues	55	77	4%	4%		0	0%	
Other services			0%	0%		0	0%	
SUB-TOTAL	**55**	**77**	**4%**	**4%**	**0**	**0**	**0%**	**0%**
TOTAL FEES	**1,417**	**1,874**	**100%**	**100%**	**420**	**176**	**100%**	**100%**

8.5 CROSS-REFERENCE TABLE TO THE REGISTRATION DOCUMENT

The following cross-reference table, in accordance with the Annex I of the Commission Regulation (EC) no. 809/2004 dated April 29, 2004 (the "Annex I") indicates the pages of the 2011 Registration Document on which the information corresponding to the subjects mentioned in this Annex I can be found.

Commission Regulation (EC) No 809/2004 dated April 29, 2004 – Annex I		Registration Document
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10.4.	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect the issuer's operations	104-105
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8.6 CROSS-REFERENCE TABLE TO THE ANNUAL FINANCIAL REPORT

This Registration Document includes all the items in the annual financial report mentioned in Article L.451-1-2 of the French Monetary and Financial Code, as well as in Article 222-3 of the AMF's General Regulation.

8.7 RECONCILIATION TABLE

This Registration document features all the elements of the Company's management report required under articles L 225-100 et seq, L.232-1, II, and R.225-102 of the French Commercial Code.

N°	Information	Reference (RD pages)
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NOTES

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VOTLAGE SECURITY
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