REGISTRATION DOCUMENT 2012

including the annual financial report

ingenico®

beyond payment

EBITDA 223 MILLION EUROS

REVENUE UP BY 20%

6M TERMINALS SOLD

125 COUNTRIES

4,000 EMPLOYEES

NET RESULT UP BY 71%

2,000 APPLICATIONS

100,000 CLIENTS OF EASYCASH

2 BILLION TRANSACTIONS PER YEAR IN EUROPE

1,206,000,000 EUROS REVENUE

EBITDA 18.5% OF REVENUE

42,000 CLIENTS OF OGONE

8% OF REVENUE FOR R&D

14% ACTIVITY GROWTH

20,000,000 TERMINALS DEPLOYED

N°1

4,000 TRANSACTIONS PER MINUTE

40 OFFICES AND AFFILIATES

30 YEARS OF EXPERIENCE

DIVIDEND UP BY 40%

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REGISTRATION DOCUMENT 2012

ANNUAL FINANCIAL REPORT

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

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

General comments

In this registration document:

- "Ingenico SA" or "Company" means Ingenico – the company listed on the Euronext Paris stock market; 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, hypotheses 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 economic, financial, competitive and regulatory environment. Additionally, the materialization of some risks described in Chapter 1 of this registration document might have an impact on the Group business and the Group's ability to achieve its objectives. Also, the achievement of its objectives implies the success of the strategy set forth in Chapter 1 of this registration document.

The Group makes no commitment or warranty on the achievement of the goals in this registration document.

The prospective statements and objectives presented in this registration document might be affected by known or unknown risks, uncertainties or other factors in such a way that the Group's future results, performances and achievements might significantly vary from its stated or suggested objectives. These factors could include developments of the economic trend, the regulatory environment and other factors set forth in Chapter 1 of this registration document.

Investors are invited to carefully consider the risk factors described in Chapter 1 of this registration document. The occurrence of all or part of these risks could have a negative impact on the business, the status and the financial results of the Group or its objectives. Moreover, other risks not yet identifiable or considered insignificant by the Group could have a similar negative effect.

This registration document also includes information on the markets on which the Group is listed. This information comes from information available to the public and studies prepared by external sources so it is possible that they might be erroneous or outdated. Finally, the Group's business could consequently develop in a manner different from the one described in this registration document.

In compliance with Article 28 of the (EC) Regulation No. 809/2004 of the European Commission dated April 29, 2004, the following information is included in this registration document:

- the consolidated financial statements and the related statutory auditors' report for the year ended December 31, 2011 provided on pages 83 to 170 of this registration document for the year ended on December 31, 2011 registered with the AMF on March 29, 2012 under number D.12-0240;
- the consolidated financial statements and the related Statutory Auditors' report for the year ended December 31, 2010 provided on pages 32 to 123 of this registration document for the year ended on December 31, 2010 registered with the AMF on March 2, 2011 under number D.11-0084.

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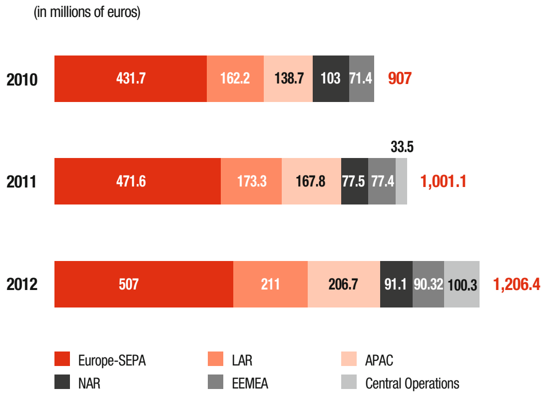
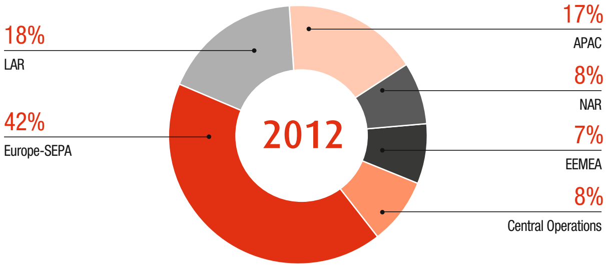
PRESENTATION OF THE GROUP

1.1 Key figures

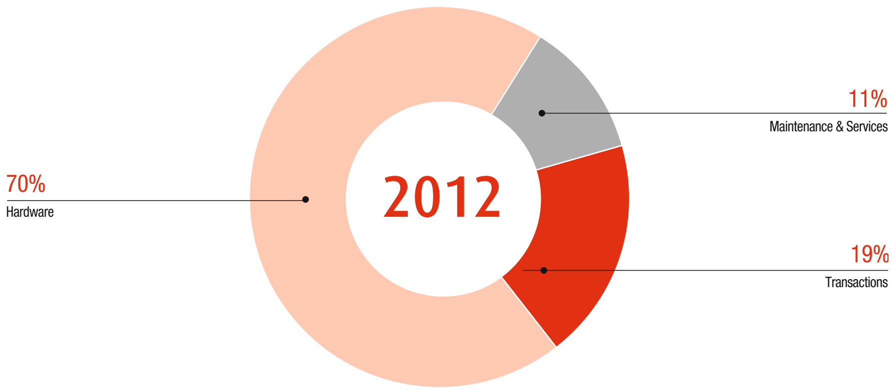
REVENUE

BY REGION

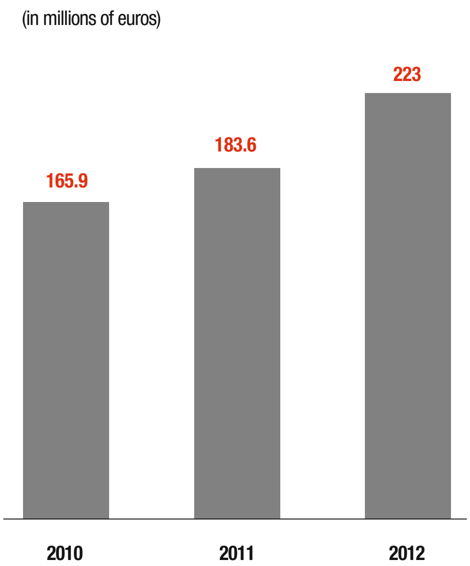




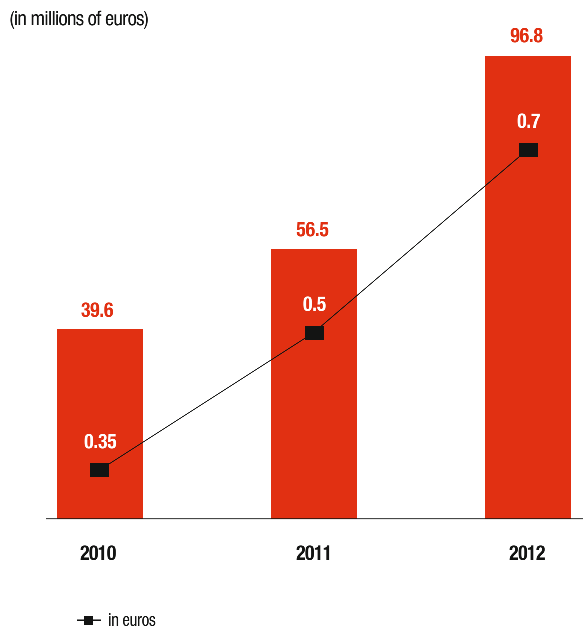
BY ACTIVITY



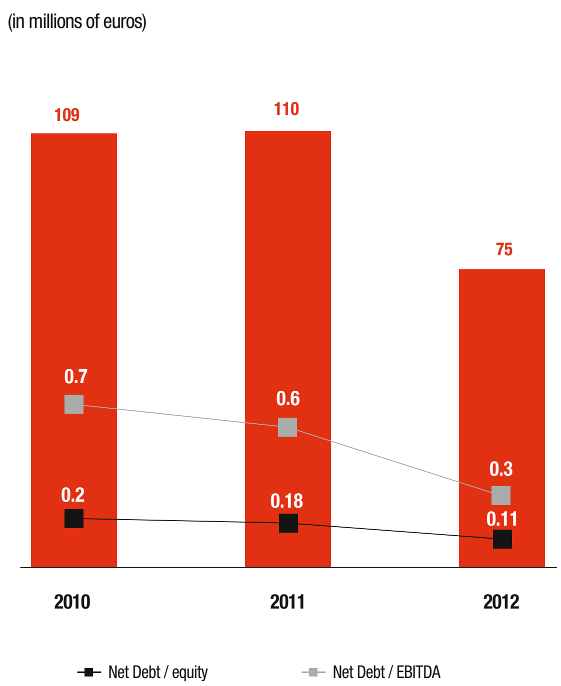
EBITDA



NET RESULT OF THE GROUP DISTRIBUTABLE PROFITS AND DIVIDENDS



NET INDEBTEDNESS



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

International growth and expansion

1987 Incorporation of Ingenico International (Pacific) Pty Ltd (Australia).

1994 Major card issuers such as Visa, MasterCard and Europay adopt a payment chip-card standard, accelerating Ingenico's growth.

1996 Ingenico acquired EPOS in Germany.

1999 Ingenico acquired the terminal business of the DE LA RUE and BULL groups.

2001 Acquisition of IVI CHECKMATE CORP in the United States.

2006

Business transformation

- Ingenico outsourced terminal manufacturing.
- Ingenico acquired MoneyLine Banking Systems S.A., 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 Elektronik.

2008

Consolidation of world leadership in payment terminals

- Ingenico acquired the payment terminal business of Sagem Sécurité (Sagem Monétel).
- Ingenico acquired an interest in Fujian Landi Commercial Equipment Co., Ltd., China's second largest terminal provider.
- Launch of full 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 the easycash group, a leading German payment services provider.
- Launch of a new generation of payment terminals and Beyond Payment terminals.

2010

Implementation of the 2010-2013 strategic plan

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

2011

Evolution of the Group's profile confirms its upward trend

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

2012

Full speed ahead

- Ingenico asserts its world leadership on the payment terminals market with double-digit growth in this sector.
- Ingenico expands its investment in the U.S. market and in the mobile payment sector, especially through its acquisition of a controlling interest in ROAM Data, Inc.
- New ventures in the payment ecosystem (PayPal).
- Reinforcement of the payment terminal business in fast-moving emerging economies with strong growth potential by the acquisition of Arcom in Russia and PT Integra in Indonesia.

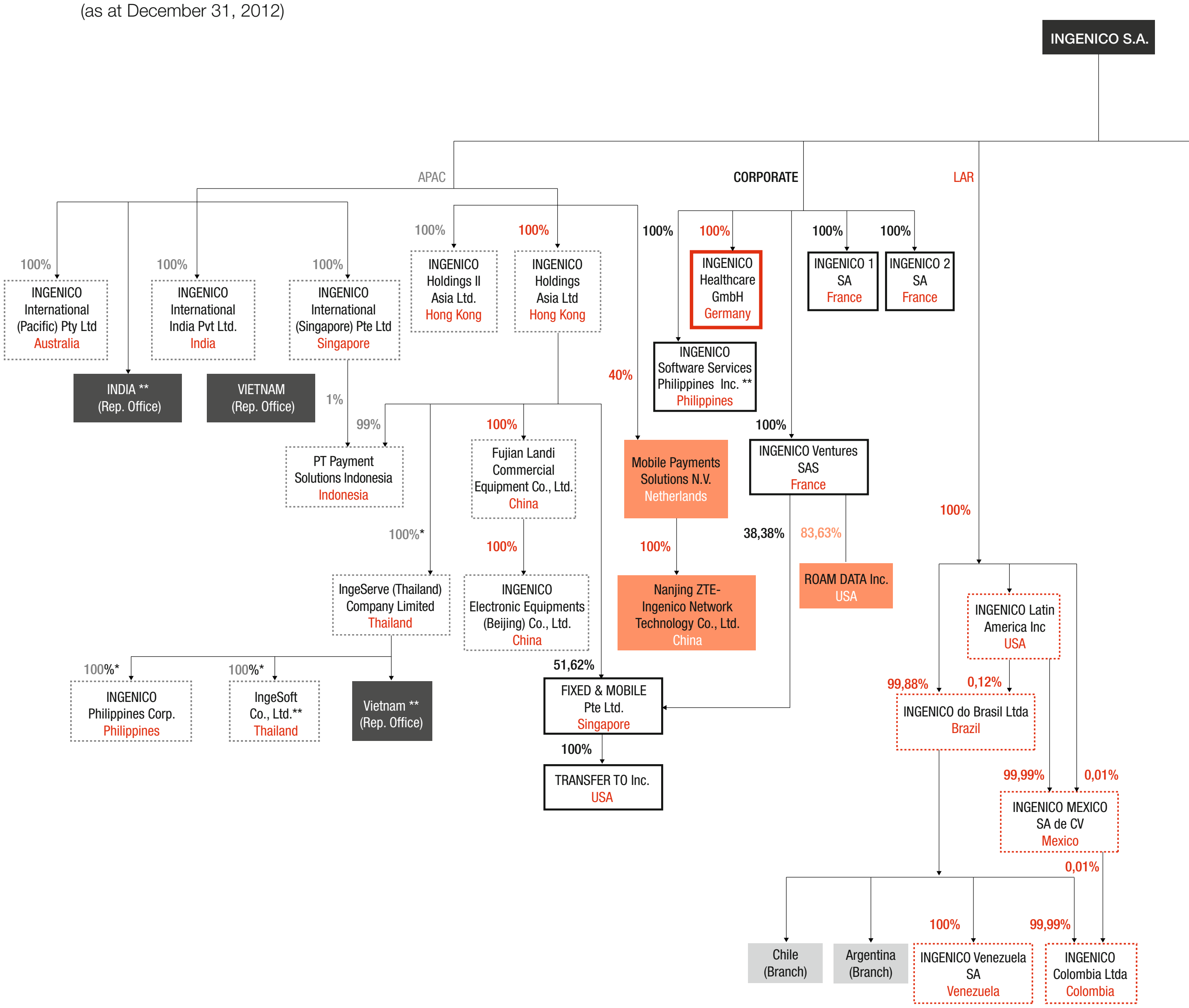
EARLY 2013

Implementation of the Group strategy

- On January 29, 2013, Ingenico announces an agreement in principle to acquire Ogone, the leading pan-European online payment services provider.
- Ingenico signs up with Microsoft as technology partner in its point-of-sale innovations, as announced on January 14, 2013.
- 26 March 2013: Presentation of the strategic plan for 2013-2016.

1.3 Organizational chart

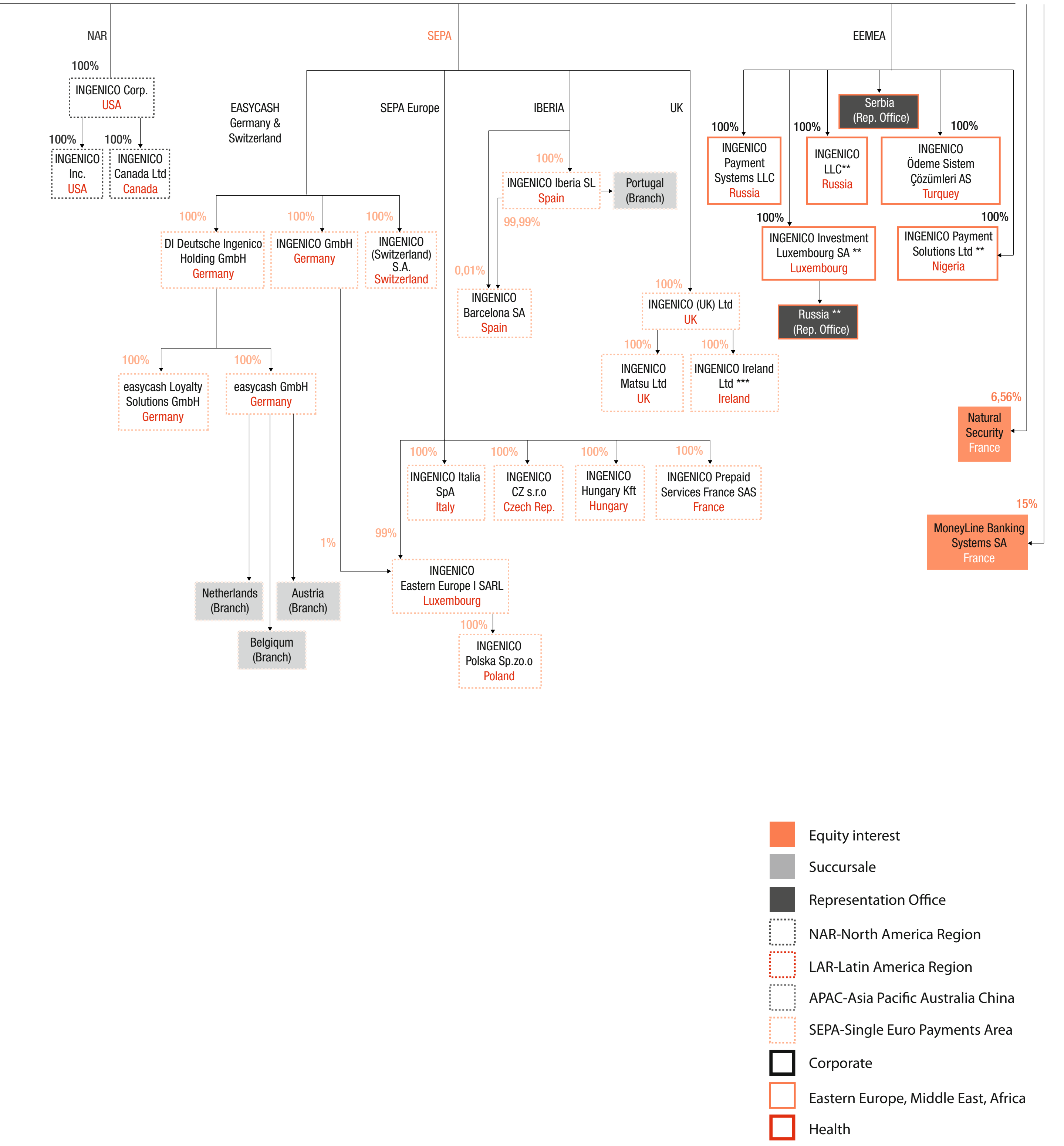
(as at December 31, 2012)



* Including indirect equity interest

** In the process of liquidation or winding-up

*** Dormant


NAR
SEPA
EEMEA
100%
INGENICO Corp.
USA
100%
100%
INGENICO Inc.
USA
INGENICO Canada Ltd
Canada
EASYCASH Germany & Switzerland
SEPA Europe
IBERIA
UK
100%
INGENICO Iberia SL
Spain
Portugal (Branch)
99,99%
0,01%
INGENICO Barcelona SA
Spain
100%
DI Deutsche Ingenico Holding GmbH
Germany
100%
INGENICO GmbH
Germany
100%
INGENICO (Switzerland) S.A.
Switzerland
100%
easycash Loyalty Solutions GmbH
Germany
100%
easycash GmbH
Germany
Netherlands (Branch)
Austria (Branch)
Belgiqum (Branch)
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
100%
INGENICO Prepaid Services France SAS
France
1%
99%
INGENICO Eastern Europe I SARL
Luxembourg
100%
INGENICO Polska Sp.zo.o
Poland
Serbia (Rep. Office)
100%
INGENICO Payment Systems LLC
Russia
100%
INGENICO LLC**
Russia
100%
INGENICO Ödeme Sistem Çözümleri AS
Turquey
100%
INGENICO Investment Luxembourg SA **
Luxembourg
100%
INGENICO Payment Solutions Ltd **
Nigeria
Russia ** (Rep. Office)
6,56%
Natural Security
France
15%
MoneyLine Banking Systems SA
France
Equity interest
Succursale
Representation Office
NAR-North America Region
LAR-Latin America Region
APAC-Asia Pacific Australia China
SEPA-Single Euro Payments Area
Corporate
Eastern Europe, Middle East, Africa
Health

1.4 Activity & 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.

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, thus paving the way for greater presence in the payment solutions business transacted by the merchants in stores.

Since 2010, the Group has systematically carried out its strategy with a view to consolidating its leading position in Payment Terminals and developing a complete, full-range multi-channels solutions package for merchants looking to simplify their payment methods while facilitating payment for their customers.

During the past few years, the Group has confirmed its strong position on the payment terminals market by benefitting from its global and diversified local presence, from its complete and innovative payment terminals solutions and as well from the recent reshuffling of the competitive environment as evidenced by the double-digit progression in the terminals business in 2012.

Above and beyond the terminals business, the Group has demonstrated its strong position in the secure mercantile payment solutions in particular through the partnerships concluded with Google (2011) and with PayPal (2012) in the U.S., as well as the technology partnership with Microsoft announced in early 2013.

At the same time, the Group has actively continued its strategic development around the world and has thus reinforced its position in transaction management, in value-added services as well as in mobile payments by way of its takeover of Roam Data in 2012.

Early 2013, the Group announced its agreement in principle with Summit Partners for the acquisition of Ogone, the leading pan-European online payment services provider, for an enterprise value of 360 million euros. Due to be completed by the end of the first quarter of 2012, this deal constitutes a major advancement in the implementation of Ingenico's strategy to offer comprehensive and integrated multi-channels payment solutions: brick and mortar, online and mobile-phone payment.

1.4.2 INGENICO, THE GLOBAL LEADER IN PAYMENT TERMINALS

1.4.2.1 Leadership built on market consolidation

After merging with Sagem Monétel 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 Monétel 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 2012 with an installed base of some 20 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[2], which accounted for 52 percent of Group revenue in 2012. It still can capture significant growth potential in those countries, especially in regions where its market share is still limited, as demonstrated in the 2012 financial year by the U.K. sales results. Its main growth drivers are replacement of end-of-life devices in POS estates (after an average of 5 years), compliance with the new PCI PED 2.0 and EMV security standards and customer interest in new features such as fast check-out functions, color screens, mobile terminals and contactless payment.

(1) Position maintained in 2012, according to terminals business (hardware and maintenance) revenue figures released separately by Ingenico, VeriFone and PAX.

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

The Group has also a significant presence in emerging markets[1], which are definitively growth drivers accounting for 48 percent of Group revenue in 2012 compared with 45 percent in 2011, due in large part by the strong sales performance in Brazil, China and Southeast Asia. In China, Indonesia 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 2012, the Group maintained its presence in these strong growth geographical areas by its acquisition of distributors in Russia and Indonesia.

1.4.2.4 Outsourced production

Since 2006, Ingenico's manufacture of terminals 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 natural catastrophic events which occurred in Asia in recent years 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 the supply of 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, Bank of China, Garanti Bank to Bank of America, make Ingenico their trusted choice. Ingenico also works with large-scale acquirers such as those operating in Brazil (Redecard, Cielo, Get Net, etc.).

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, Auchan, Ikea, BestBuy, Globus, Boulanger, Saturn, etc. as well as retail chain heavyweights like McDonald's, Starbucks Coffee, Rossmann, Kiabi, Coles 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 supports 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 integration of Xiring, the Group set up a division dedicated to the Healthcare market to support countries wishing to control their healthcare expenses.

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 (integrated into Ingenico Iberia) has further increased Ingenico's direct access to merchants in France, Spain and Portugal.

Since 2011, easycash strengthened its commercial position by international expansion of its services to Belgium, Austria and The Netherlands.

1.4.2.6 Partner of new participants in the payment ecosystem

In mid-2011, Ingenico signed an agreement with Google within 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 couponing or gift cards or to gain loyalty points.

Beginning 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.

In January 2013, Ingenico announced its technology partnership with Microsoft to develop mobile POS equipment based on the Windows Embedded 8 Handheld (WE8H) technology for the large-scale retail sector.

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

Through these partnerships, Ingenico positions itself in the center of the merchant-consumer relationship, as a facilitator for the development of payment solutions, making available new sources of income for merchants while assuring a personalized, integrated and unique consumer purchasing experience. Ingenico thereby demonstrates its ability to enter into partnerships with new players in payment ecosystem.

1.4.3 TECHNOLOGY LEADERSHIP

1.4.3.1 Sustained policy of innovation

Research and Development (R&D) activity is essential to the Group's strategy for innovation and improvement of its products and solutions.

The Group commits the important means at its disposal to innovations and R&D to maintain its lead on the payment solutions market where technological and regulatory changes occur constantly, but also to develop integrated solutions for merchants looking to simplify payment methods while facilitating the payment experience for consumers. In 2012, the Group continued to invest significantly in Research and Development, spending close to 8% of its income in R&D while dedicating 1000 employees, i.e. 25% of the Group's workforce.

The very dynamic internal R&D team is the backbone of the Group's technological advances, boosted by innovative resources stemming from its partnerships or acquisitions generating the fast turnaround required to respond to the evolving market. The Group's investment in Roam Data, for example, positioned it on the payment solutions market for small businesses in the U.S., notably by converting the smartphone into a secure POS terminal.

In addition to its research activity, the Group ensures that the regions develop applications tailored to their specific market and customers' needs.

The basis of Ingenico's innovation focuses on the following segments:

- ergonomics, design, screens, and multimedia capabilities;
- progressive generalization of the contactless technology;
- integration of new payment means; and
- mobility.

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

Cutting-edge of innovation: the iSMP

Ingenico created the iSMP, an integrated and totally mobile cash-out device in a 10 by 6cm 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 revolutionized the notion of point of sales by (i) combining the sale and payment in one transaction, (ii) increasing cash-out capacities, (iii) significantly reducing the payment transaction time therefore improving the transformation rate of sales and the consumer's satisfaction. The iSMP solution materializes the image of the merchants' brand.

In 2012, Ingenico continued to supply stores around the word with the iSMP solution and topped up its offer with an iSMP companion terminal to manage secure payment transactions connected with tablets or smartphones.

A single platform: Telium 2

Building on the architecture brought in by Sagem Monétel, Ingenico developed Telium 2, 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 looking to cover several countries.

In 2012, the Group started development of the next generation operating system – Telium 3 – in response to specific design enhancements for its customers and networks in keeping with its competitive edge on payment solutions.

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 a publication by EMVCo of May 2012, 76% of the terminals installed around the world (except for the U.S.) use the EMV standard.

1.4.3.2 A comprehensive, innovative range of terminals

Renewal of the product range initiated in 2009 meets three objectives:

- Align the range of terminals produced by Ingenico and Sagem Monétel on the Telium 2 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 2012, Ingenico continued to enhance its mobile terminals range with the successful launching of iSMP and its new range of iWL mobile terminals addressing traditional and sophisticated payment means.

These terminals are even more compact and embark more advanced functionalities such as the touch screen and cover all customers need for multi-country and multi-channels solutions.

Extending the mobile market: mCommerce

The Roam Data solutions package and the guarantee of secure payments via its certified network expands Ingenico's specific offering for small businesses.

For the micro-business sector or mCommerce, the Group proposes a large range of hardware and complete, integrated mCommerce solutions with couponing offers and loyalty programs.

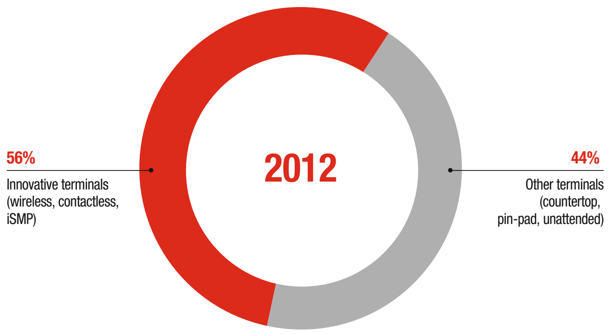
Ingenico signed in November 2012 its first agreement in Europe with BNP Paribas Fortis in Belgium to operate and provide a full-range solution from the secured mobile card reader to processing of electronic transactions, compatible with all types of bank cards in the country.

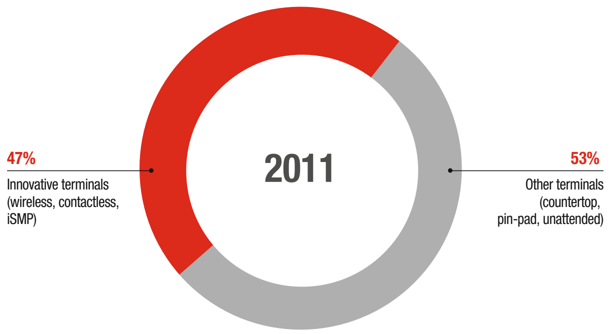
Generalization of the contactless

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's NFC solutions also provide access to couponing offers and loyalty programs. In 2012, Ingenico continued to distribute its NFC compatible terminals. Indeed, more than 40% of the terminals sold to merchants use this technology versus 21% in 2011. All the new range of terminals includes the contactless technology which can be activated upon customers' demand.

An increasing contribution to Group sales

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





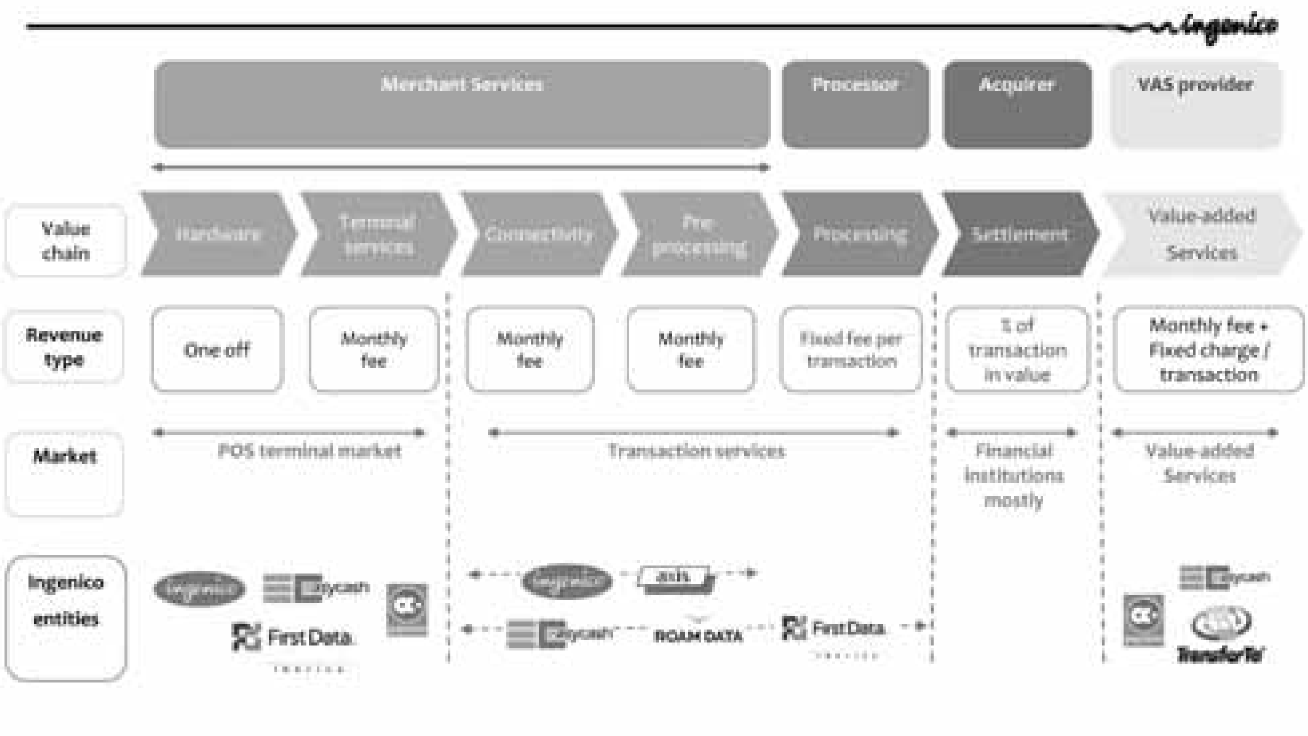
1.4.4 FROM HARDWARE TO SERVICES AND SOLUTIONS

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 outside 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 centers. 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.

The Group has stepped up its implementation of a secure integrated, comprehensive multi-channel payment solution for merchants: brick and mortar points of sale, online or mobile-phone profiting from its strong position for in-store payments (AXIS, easycash), its mobile offering (Roam Data) and on-line payment currently being rolled-out.

Mobile payment

Ingenico believes that mobile phones are increasingly becoming the preferred payment method, particularly in mature countries with the development of couponing and loyalty offers and also in emerging countries where much of the population is often “unbanked”.

As a consequence, 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 for transformation of mobile terminals (smartphone or pads) into payment systems and for payment by mobile phone by entering into partnership agreements with Google and PayPal.

Likewise, in the same vein as iSMP, Roam Data designed a peripheral turning any type of smartphone into a payment card acceptance device. The ROAM solution completes Ingenico offers and specifically addresses low cost mobility issues for small merchants who are not equipped with payment terminals.

Online payments

By leveraging its historical expertise and adding an e-payment solution to its centralized Axis offer, Ingenico can now provide merchants with a comprehensive view of all their online and in-store payment transactions through a single supplier. The Group intends to leverage its solid relationships with major retailers, particularly through Axis in France, to promote online payment which Ingenico has installed for its first clients. During the second quarter of 2012, easycash rolled-out its online payment solutions whose first results are very encouraging.

With the agreement to acquire Ogone, online payment services leader, the Group will complete its multi-channel payment solutions panel for merchants. During the past ten years, Ogone has established a reputation for expertise in providing merchants with online payment services which are simple to use, efficient and secure. Due to its wholly-owned robust and adaptable platform, as well as the long experience of its management, Ogone has built up a high quality, international clientele composed of 42,000 merchants of all sizes, from all sectors of activity and with a large variety of distribution channels.

1.4.4.3 “Beyond Payment” solutions with value-added services

Merchants are concerned with building customer loyalty, standing out in front of the competition and in marketing additional services. Meanwhile, the point of sale has changed : 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 range 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 Iberia)

  Ingenico Iberia 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 these different solution modules together through the Incendo Online platform to provide value-added services and to implement them in a simple and efficient manner 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 integration of Xiring, the Group has enhanced its presence in the solutions dedicated to the healthcare market and increased its recurrent transactions based revenue. 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 which 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 been consolidated in recent years, mainly through five major business deals:

- VeriFone's acquisition of Lipman in April 2006;
- The Ingenico and Sagem Monétel 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 [(1)] percent of the market in 2012. Ingenico is also competing with local providers, such as Pax in China.

In 2012, Ingenico reinforced its leadership, with an increasing market share estimated at 40-percent[(1)] 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 The market for means of payment

A fragmented and local market for means of payment by bank cards

The card payment services market is significant, worth an estimated €10 billion[(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, etc.) coexist alongside other, often regional, players such as Commidea in the United Kingdom, El Cortes Ingles Informatica in Spain, Atos Worldline in France and easycash in Germany.

Emergence of alternative payment methods

New means of payment have emerged such as the electronic wallet (Wallet Google and Square for Starbucks) for which QR code use generally corresponds to gaining customers' loyalty in a private circle, thus not universal.

Ingenico's offering gives merchants the possibility to accept both private payments and to meet the universal criteria.

1.4.5.3 The developing market for mobile payment solutions

The development of intelligent mobile platforms (smartphones and tablets) have brought forth new solutions providers, such as Square on the North American market, for payment transactions via smartphones or tablets, targeting a heretofore underdeveloped market for the small entrepreneur, occasional or mobile merchants such as artisans.

(1) Market shares in value with constant exchange rates based on the revenue figures of the terminals business (hardware and maintenance) released by Ingenico and Verifone.

(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 solutions now available are not always in line with global and local regulatory requirements, especially with respect to security, and, in general, do not offer the universality of the payment terminals.

These new payment means have revitalized the electronic payment market and benefited the micro-business sector for which the Group provides solutions via Roam Data in the U.S. as well as via its portfolio of globally-secured solutions (EMV).

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.

At the end of 2012, the Ingenico employs close to 4,000 employees around the world, a 10% increase over 2011. This increase primarily comes from Asia-Pacific (including China) and from EEMEA, as well as from acquired companies in order to meet the objectives of the strategic plan.

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 (in particular Xiring and TransferTo);
- Five regional organizations, accounting for more than 80% of the work force as of December 31, 2012, to provide customers with tailor-made solutions;
  - SEPA, covering the main markets benefitting from the new Single Euro Payments Area;
  - EEMEA, covering the other European countries, the Middle East and Africa;
  - LAR, covering the Latin American markets;
  - NAR, covering the United States and Canada;
  - Asia-Pacific, covering Southeast Asia, Australia and China.

The regional organizations make for faster decisions, a greater efficiency and a better interaction between the Group management and the regions.

The Group is led by a Management Board and an Executive Committee.

Management board

Ingenico's Management Board, headed by its Chairman and Chief Executive Officer, is responsible for the management of the Group. It determines the strategic decisions for Ingenico according to the Board of Directors guidelines and meets every week. As of the date of this Registration Document, the Management Board is composed of the following fourteen members:

- Philippe Lazare, Chairman and Chief Executive Officer;
- Jacques Behr, Executive Vice-President EEMEA;
- Oscar Bello, Executive Vice-President Latin America;
- Christopher Coonen, Executive Vice-President Marketing and Key Accounts;
- Thierry Denis, Executive Vice-President North America;
- Patrice Durand, Executive Vice-President Finance and Operations;
- Mathieu Gagnard, Executive Vice-President Human Resources and Internal Communications;
- Jacques Guérin, Executive Vice-President, Chief Solutions Officer;
- Michel Léger, Executive Vice-President R&D and Technology Director;
- Patrice Le Marre, Executive Vice-President Asia Pacific;
- Georges Liberman, Executive Vice-President Healthcare & e-ID;
- Chloé Mayenobe, Executive Vice-President Audit and Risk Management;
- Jean-Marc Thienpont, Executive Vice-President Mobile Payments Division;
- Pierre-Antoine Vacheron, Executive Vice-President SEPA-Europe.

Executive Committee

The Executive Committee examines questions and decisions principally relating to the strategy, development and organization of the Group and to its overall management. As of the date of this Registration Document, it is composed of 32 members, among whom are the Management Board and certain functional managers. The Executive Board meets once a month.

1.5 Risks

1.5.1 MAJOR RISKS

Ingenico believes that on the date of this Registration 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, its 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 assessments 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 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 3.1 of this Registration Document.

1.5.1.1 Business and strategic risks

The risk of not meeting targets

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

- Increase revenue from the Group's legacy 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.

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 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 always 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 this Registration Document and have also introduced a decision-making process designed to anticipate future needs.

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 EMS (External Manufacturing Services). The Group currently works with two of the world's five leading electronic sub-assembly subcontractors, Flextronics and Jabil, who manage 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, Malaysia, Russia 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.

Risks related to the Group's dependence on specific customers

Although the Group's revenue is spread among a large number of customers, certain customers constitute a significant portion of its revenue. The Group's top one, five and ten customers accounted respectively for 5.9 percent, 16.6 percent and 24.2 percent of revenue reported in the year ended December 31, 2012. The loss or decrease in one or more of these customers' business could reduce the total revenue proportionally.

	2012		2011		2010	
Revenue derived from customers	In millions of €	% Revenue	In millions of €	% Revenue	In millions of €	% Revenue
Top 1	71.5	5.9	38.8	3.9	61.6	6.8
Top 5	200.1	16.6	147.5	14.7	138.5	15.3
Top 10	292.1	24.2	218	21.8	201.3	22.2
GROUP REVENUE	**1,206.4**		**1,001.1**		**907.0**	

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 events, a multi-sourcing policy is consistently carried out when possible or safety stocks are formed for critical one-source components. Moreover, some key suppliers are requested to have two production sites for sensitive components.

Risks related to hardware manufacturing

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, 2012. However, any claims related to such defects could damage its reputation and adversely affect its business, results of operations, financial condition and ability to meet its objectives.

Risks related to transactional service provision and 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, Roam Data 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.

Risks due to fraud and unethical practices

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.

In 2012, the Group initiated a risk assessment review in order to identify the contributors and tools to forewarn it against internal and external fraud and unethical practices. The Internal Audit Department is responsible for the analysis and prevention of such risk of fraud and unethical practices.

However, in spite of the risk assessment procedures introduced by the Group, zero risk does not exist. If any of these risks did materialize, it could adversely affect Ingenico's business, results of operations, financial situation and ability to meet its objectives.

Risks related to a global business

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.

Despite the procedures introduced by the Group designed to reduce or to provide coverage for the risks related to its global activity, an incident could occur in any one of the countries where Ingenico does business which could adversely affect its overseas employees and/or its results.

Risks related to the Group's expansion

As part of its growth strategy, Ingenico conducts transactions for the expansion of its business outside the Group, such as acquisitions of businesses or companies, as well as inside the Group. All such investments are carefully analyzed and reviewed according to a very strict internal policy, but the Group can make no assurances that the profitability assumptions made as part of the investment project will all be fulfilled or that the process of integrating the acquired or merged companies will be successful. As a consequence, the benefits from this future or completed external or internal development might not occur within the periods and at the levels expected, thus impacting the financial situation of the Group.

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

Human Resource risks related to Group evolution

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 the sales force 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.

Risks related to information technology systems

The Group's information technology systems are at risk from attack by virus, denial of service or technical outages provoking interruptions of electronic tools or theft of data. The Information Technology Systems Dept. is in charge of security for the networks and systems as well as the applications essential to the Group's activity and periodic penetration tests and back-ups. Despite such vigilance, any one of these incidents could have a negative impact on the Group's business and its performance.

1.5.2 ENVIRONMENTAL RISK

The environmental regulations to which Ingenico's products are subject are becoming more and more stringent. Above and beyond the three regulations defined below, Ingenico monitors all the implementing measures on all environmental matters so as to anticipate its future obligations.

Risks related to the use of hazardous substances

Ingenico has taken measures as part of its relationship with its suppliers and sub-contractors to make sure that its products comply with the RoHS Directive (2002/05/EC) which restricts the use of six substances hazardous to the public health and to the environment. One hundred percent of Ingenico products delivered in 2012 were RoHS-compliant.

Risks related to Electrical and Electronic Equipment Wastes

To control any risk of pollution, the Group ensures that collection and end-of-life recycling programs for Ingenico products are implemented and provided to its customers in accordance with the WEEE Directive (2002/96/EC). The quantity of Ingenico products distributed, collected and recycled in those countries where such regulations exist are periodically declared to the national manufacturers registers. Ingenico also informs the users of these requirements through the display of the appropriate symbol on Ingenico products and makes disassembly guides available to recyclers.

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

Ingenico closely follows all the updates on the most dangerous chemicals established by the European Chemicals Agency (ECHA). The Group requires from its suppliers that their components do not contain more than 0.1 percent overall of such substances. Certificates from its suppliers are required by Ingenico for any article considered at risk, and laboratory tests are conducted on certain elements or on the entire product.

The Group has instituted policies related to such chemical substances, and the environmental risk due to Ingenico's business is limited. However, it is not always possible to guard against such environmental risk, and the Group's business, results of operations, financial situation and ability to meet its objectives could therefore be adversely affected.

1.5.3 INDUSTRY RISK

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 remain 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 means of payment offered by new significant players in the ecosystem such as Google and PayPal. To date, the Group signed agreements with Google, PayPal and Microsoft 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 economic 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.

Risks related to competition in the payment terminal business

The worldwide payment terminal market is now concentrated around two major players together accounting for approximately 80-85 percent of aggregate sales in value (estimates based on publicly available data) in 2012. 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.

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 an 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, 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 RISKS

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 enthusiasm for Internet, mobile and IP-based communication networks may lead 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 laws and regulations could conceivably slow down growth in these areas, possibly resulting in lower demand for its products and therefore adversely affecting its business, results of operations, financial condition and ability to meet its objectives.

Risks related to the PCI standard

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

Updates to these standards involving changes to existing requirements are managed by the founding members of the PCI-SSC – Visa, MasterCard, JCB, American Express and Discover – 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 PCI POS PED standard, which imposed stiffer requirements on magnetic stripe security and PIN protection. 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 prohibition of sales of the banned product, thereby inducing decreased revenue and financial loss.

As a provider of payment solutions, particularly centralized payments solutions deployed in large-scale retail, Ingenico must also comply with the 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.

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.

Risks related to intellectual property

Were a third party to deem that the Group's technology or products infringe upon its rights, preventing it 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 to date and in accordance with the applicable financial standards, no provision was recognized in the Consolidated Financial Statements at December 31, 2012.

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, 2012. 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, 2012, for the year ended December 31, 2011, tax assessment procedures are still in progress in respect of Ingenico do Brasil Ltda. These procedures focus on the ICMS tax (2004–2009), where the amount in question is approximately €71 million as of December 31, 2012 (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 Ltda 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, 2012, 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 have been contested by the Company. These rebuttals are under administrative proceedings. No definitive judgment has been rendered by the Brazilian administrative courts and no payment demand has been received as at December 31, 2012.

1.5.6.2 Commercial disputes

In one commercial dispute, the Czech company, Bull s.r.o., sued Ingenico SA, its Czech subsidiary and the chief executive officer of its subsidiary, Ingenico CZ s.r.o., 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. As of December 31, 2012, the Group recognized a provision to cover the claim for damages to which Bull s.r.o. believes it is entitled, divided between Ingenico SA and Ingenico CZ s.r.o. The procedure is still in progress.

1.5.6.3 Other disputes

Mr. Bonnemoy

In 2012, the disputes pertaining to Mr. Bonnemoy relating to the so-called abusive breach and call on the guarantee as described in the 2009 Registration Document, have been followed through to the Court of Appeals. The Company however considers that a possible loss of this litigation could not in itself have a significant negative impact on its financial standing or profitability.

Mr. William Graylin

At the same time as Mr. William Graylin exercised his put option on his minority shares held in Roam Data, Inc., subsidiary of the Ingenico Group, and as the value of such shares were determined, Mr. Graylin and other minority shareholders of Roam Data, Inc. filed a claim against (i) Philippe Lazare, (ii) a director of Ingenico SA and personally as director of Roam Data, Inc., (iii) Roam Data Inc., (iv) Ingenico SA and (v) Ingenico Ventures SAS before the Superior Court Department of the Commonwealth of Massachusetts.

The principal allegations of the plaintiffs were failure to respect minority shareholders rights, breach of contract, non-compliance with SEC Rule 10b-5 and the theft of intellectual property of Roam Data, Inc.

The amount of damages allegedly incurred is not known as of this date and shall be determined by the jury who will deliberate on any eventual claims in the event the dispute should go to court.

To the best of the Company's knowledge, in the 12-month period preceding December 31, 2012, 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.

1.5.6.5 Conclusion

As at December 31, 2012, Ingenico recognized provisions for litigation and claims totaling €7.4 million, essentially for litigation and various commercial disputes, such as the BULL dispute mentioned above, and other employment legal disputes. These legal disputes are further described in Note 27 to the Consolidated Financial Statements as of December 31, 2012, in Chapter 5 of this Registration Document.

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 is coordinated by AON, the world's leading insurance brokers. This program includes insurance coverage, in particular, relating to:

- Commercial casualty;
- Commercial property and business loss;
- MAT insurance for shipped goods;
- Directors and Officers liability;
- Fraud;
- Individual Accident.

Ingenico does not have separate insurance coverage for the risk of illness, resignation and death of its key executives.

This program was renewed for 2012 on the same terms and conditions as in 2011, adjusted to reflect the Group's changed scope of consolidation.

Any newly-created subsidiary or company joining the Group during the year is immediately covered by this Group-wide insurance plan under the same terms and conditions, up to specific revenue limitations.

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 insurance coverage in 2012 was €1,126,962 on an invoiced and paid basis, with premiums accounting for €1,006,962.

2

CORPORATE RESPONSABILITY

Responsible development

With its international footprint and cultural diversity, the Group Ingenico believes in developing its business while respecting the environment, the men and women forming part of the Group, its stakeholders and the company in its entirety.

Besides the numerous initiatives launched in the Regions, Ingenico promotes its vision of the company and its values mainly through its social and environmental policies, as well as through its Business Code of Ethics and code of Conduct.

General organization of reporting on the Corporate Social Responsibility of the Group

In 2012, Ingenico widened the scope of its social and environmental reporting. The perimeter now includes 26 reporting entities worldwide and grouped within six Regions: EEMEA, SEPA, NAR, LAR, Asia-Pacific and Central Operations. The revenue of these Regions represents 95% of the Group's Revenue in 2012. Only those entities recently acquired by the Group (after June 2012) or with less than 10 employees therefore having no significant impact have not been integrated in the reporting.

By widening the perimeter for reporting, linked to changes in the regulations covering communication of information related to the Corporate Social Responsibility (CSR) in France, the Group also demonstrates a willingness to integrate all its activities within the social and environmental policies defined and steered at the Group level.

As 2012 was the first year that CSR consolidated data was collected and published, it was not possible to obtain some information for all the relevant entities. The perimeter covered by the information and initiatives related to CSR is defined in the sections "Environmental Information", "Human Resources Information" and "Society Involvement". Contrary to its use elsewhere in the Registration Document, in these three sections, "Ingenico Group" or "Ingenico" shall mean the 26 entities integrated in the reporting.

CSR reporting is managed by a project team relying on correspondents throughout the Group who have gathered the data by way of interviews or questionnaires related to all the subjects within the three areas mentioned in the decree implementing Article 225 of the so-called Grenelle II Act: employee, environmental and Society Involvement information. The data provided by the various contributors have been consolidated at the Group level.

2.1 Environmental information

2.1.1 ENVIRONMENTAL POLICY AND STAKES

The environmental stakes for the Group are twofold:

- On the one hand, basing the management of infrastructures and logistics emanating from the Group's activity in one territory has an impact mainly in terms of consumption of resources and energy, greenhouse gas emissions and waste production, and
- On the other hand, the sale of Ingenico products and related services has an incidence on the environment.

Worldwide leader of payment solutions, Ingenico has a key role to play in controlling the environmental impact of the payment chain. As its core business, Ingenico furthers the development of payment solutions with a limited effect on the environment, especially in terms of use of natural resources, in comparison to other means of payment such as by check or in cash.

As a responsible company, Ingenico contributes to the conservation of the environment by implementation of its environmental policy with the objective to minimize the environmental effects of its business, products and services. The environmental actions undertaken by Ingenico are centralized at Ingenico SA and reviewed annually by the highest management of the company.

The environmental policy defined at the Ingenico SA level is based upon four principle directives:

- **Setting the example for compliance with the applicable environmental guidelines**

  Ingenico monitors the legal requirements related to the environment and carries out actions to ensure the compliance of its products with applicable regulations, in particular with its suppliers and sub-contractors;
- **The environmental aspect taken into account from the inception of the products**

  The primary drivers of the environmental performance of its products start at the inception and design stage. This is why Ingenico opts for "eco-design" of its terminals;
- **Implementation of responsible procurement incorporating environmental criteria**

  As Ingenico largely outsources the production of its terminals, the environmental obligations are incumbent upon its various suppliers and sub-contractors. Ingenico incorporates its environmental criteria as part of the purchasing specifications sent to its partners;
- **Increased awareness of the environment by the staff**

  Ingenico encourages the employees of the Group to adopt environment-friendly practices in their daily activities.

Ingenico's evaluation, management and introduction of actions to reduce environmental impact is based upon the Environmental Management System (EMS) led by Ingenico SA including the conduct of an assessment of greenhouse gas emissions (GHG) on the broader perimeter in 2012. This assessment covers all the value chain of the Group (manufacture of the terminals by sub-contractors, primary and secondary raw materials supply, shipping of the terminals to our clients, use and maintenance of the terminals, end-of-life cycle of the terminals, etc.) and has helped to identify those areas for further emissions reduction. The aspects of the environmental approach are more fully described in the sections entitled "Certified Environmental Management System" and "Assessment of greenhouse gas emissions".

Within the scope of implementation of the Environmental Management System, several actions have been undertaken in 2012. A summary of the main assessments are set out in the chart below:

Stakes	Actions achieved in 2012
Greenhouse Gas Emissions (GHG)	Evaluation of greenhouse gas emissions at the Group level, on Ingenico's entire value chain
Corporate Social Responsibility (CSR)	Completion of an Environmental Reporting for all activities and entities of the Group
Waste Electrical and Electronic Equipment (WEEE)	Product disassembly guides for recyclers made available to all the entities of the Group
Environmental regulations trainings	Training of product research & development teams with respect to environmental regulations (RoHS, WEEE, REACH, …)
Chemical substances (REACH)	Controls effected on suppliers of components and laboratory tests conducted on products to ensure compliance with the REACH regulation
Eco-design trainings	Training a product research & development team with the eco-design method and applied to a pilot project
Energy efficiency	Development of a method of evaluating energy consumption of products and implementation on several product lines
Requirements from suppliers	Ingenico incorporates its environmental requirements in its Quality Supplier Handbook
Informing suppliers	Informing major suppliers on the environmental issues during Suppliers' Day organized by Ingenico
High quality environmental buildings	Regrouping Ingenico SA's activities in a Low-Energy Consumption (BBC) and High Environmental Quality (HEQ) building in Valence (France) and in a High Environmental Quality (HEQ) building in Paris (France)
Awareness of environment-friendly practices	Information or distribution of the *Going Green At Work* guide to all the workforce
Home to work travel	Financial incentive provided to employees of Ingenico SA to purchase electric cars and practice car pooling
Business travel	Travel Policy designed to limit business travel and promote the use of video-conferences

As part of its on-going actions, Ingenico plans to adapt its environmental management program to information obtained from the GHG analysis conducted in 2012.

2.1.2 IMPACTS RELATED TO THE BUSINESS AND THE DISTRIBUTION CHAIN

Ingenico's first stake is to control its environmental footprint which is, linked to two main areas of responsibility of the Group:

- The core business of Ingenico, i.e. the sale and distribution of payment terminals (transportation for delivery to customers, use of primary raw materials for its products and of consumables for packaging, waste production); and
- The operations of its infrastructures such as offices, logistic centers and data centers (consumption of energy, natural resources and consumables).

The Ingenico Group works toward reducing its environmental impact by the actions and measures described hereafter.

2.1.2.1 Impacts linked to the sales activity

Transportation

Transportation of merchandise

One of the most important environmental impacts for Ingenico, with respect to GHG emissions in particular, is the transportation of materials and merchandise. In a GHG emission assessment conducted in 2012 on the year 2011, emissions originating from the transport of terminals from the EMS (Electronic Manufacturing Services) to customers were at the top of the list, ruben excluding emissions from the manufacture and use of the products.

In particular, transportation by air has a very significant impact since it contributes to around 96% of all emissions generated by international transport on the upstream side of the supply chain. Substantial efforts have thus been made to optimize the logistic chain and especially to increase the proportion of transportation by ship. As a result, in 2012, forty-three percent of all products were delivered by sea.

Employee transportation and business travel

The GHG emissions analysis performed in 2012 on the year 2011 shows that employee business travel, among all other means of transportation combined, is quite significant. Ingenico has set up an action plan to limit the environmental impact from such business travel by inciting more video/audio conference use.

A large number of its subsidiaries have inaugurated a Travel Policy with this in mind. The Travel Policy rolled out in September 2012 at Ingenico SA has already shown a reduction in business travel which has favorably impacted GHG emissions at the same time. The effects of this policy in terms of reducing the environmental impact have been confirmed by the first results witnessed in September and October 2012: within the Ingenico SA perimeter, it was estimated that 25 percent of induced emissions were reduced versus the same period of the preceding year.

In France and Germany, the criteria of selection of company cars include CO_2 emission levels (maximum 140g/km for France). The German subsidiary also plans to organize training sessions for environment-friendly driving and set up a competition in this respect between the employees.

(in g CO_2/km)	2012	2011
Average CO_2 emissions of company cars	162	167

Raw and auxiliary materials consumption

A study of the amount of raw materials directly consumed by various subsidiaries has begun. As the activities of the Ingenico Group essentially occur in office space (except for the data centers), paper and cardboard consumption has become the focus of the study.

Paper consumption

Paper consumption by the Ingenico Group amounts to 38.0 metric tons in 2012.

(in metric tons)	2012	2011
Paper consumption	38.0	38.6

The Group's commitment to reduce paper consumption is materialized by such means as setting printers to automatically print/copy in double-sided mode, reducing the number of business trips through video/call conferencing, increased use of electronic documentation (emails and instant messaging) as well as encouraging non-paper information storage. Some of these initiatives have been taken in France, Canada, Turkey, the Czech Republic, Australia and the United Kingdom. At the Ingenico SA (France) level, such measures resulted in 15 percent less paper consumption between 2010 and 2012.

Consumption of cardboard used for packaging

A study of consumption of cardboard used for packaging at the Group level estimates that 1200 tons were used in 2012.

Several initiatives were implemented to reduce the amount of cardboard used for packaging. For example, the subsidiary in Australia established a system of bulk packaging and combining deliveries. At Landi, the Chinese subsidiary, various technical solutions were evaluated so as to reduce the amount of packaging used for products.

Beyond the impact of paper and cardboard consumption, the Group is examining other impacts of its activities on the consumption of resources, such as the components of the products sold by Ingenico.

Consumption of components

The GHG emission analysis conducted in 2012 pointed out that, considering the entire Ingenico value chain, the impact of the manufacture of the terminals on greenhouse gas emissions is very significant. Indeed, mining of raw materials and manufacture of the components account for more than 18 percent of GHG emissions from Ingenico's activity.

Efforts in eco-designing products targeting reduced usage of raw materials per product are essential to decrease of both natural resources consumption and related GHG emissions (refer to section entitled "Eco-design").

Preventive measures, recycling and waste disposal

Most of the Ingenico Group companies have installed separate waste collection systems, in order to collect and recycle internal waste such as the WEEE (electrical and electronic equipment waste), printer cartridges, batteries and accumulators, plastic, paper, cardboard, etc.

Ingenico's customers also benefit from collection and recycling facilities for Ingenico terminals in Canada and Turkey. At the European Union level, due to the WEEE – Waste Electrical and Electronic Equipment Directive (for more information please refer to section entitled

"Evaluation and regulatory compliance"), Ingenico proposes collection and recycling programs to its customers for end-of-life terminals.

The amount of terminals collected and recycled has been followed up at the Group level and reached a total for 2012 of 455.8 tons, a 20 percent increase over 2011.

(in metric tons)	2012	2011
Non-hazardous waste collected and treated	496.8	482.1
Hazardous waste collected and treated	64.8	56.2
End-of-life products (WEEE) collected and treated	455.8	378.0

2.1.2.2 Impacts related to infrastructures

Energy and GHG emissions

A study of data related to energy consumption has been set up at the Group level. In 2012, the quantity of electricity used was 9,340.0kWh while the amount of fuel oil and natural gas consumed equaled 6,495.8 Megawatts per hour (MWh) LCV over the same period.

(in MWh)	2012	2011
Electricity consumption	9,340.0	9,478.5
Consumption of fossil energy (gas and fuel oil)	6,495.8	7,169.7
Total energy consumption	15,835.8	16,648.2

GHG emissions related to building energy consumption amounted to 4,449.3 tons of CO_2 equivalent for 2012. Although a comparatively insignificant expense compared to other emissions sources, Ingenico is working to reduce its energy consumption.

(in tons of CO_2 equivalent)	2012	2011
Greenhouse gas emissions of buildings	4,839.2	5,120.8

In order to better the energy efficiency of the buildings, initiatives have been put in place locally. For example, 163 square meters of solar panels were installed in the building occupied by Ingenico in Valence, France, in order to supply part of the energy for the common areas of the building (fan coil units, hall lighting, toilet lighting and heating, outside lighting, etc.). This building is BBC-certified (Low-Energy Consumption) approved by authorities, insuring an energy performance level far above building standards. Other examples include locations in Germany, England, North America, China or France where use of electric equipment with high energy efficiency, low-energy consumption light bulbs, LED lighting and movement Ingenico detectors limit the surplus of energy consumption. The office in Turkey is a "SMART" building where energy consumption is centralized. Elsewhere, in India, Canada, France, China, Singapore and Vietnam, awareness programs for employees have been implemented to reduce energy consumption.

At the Ingenico SA level, a building reorganization occurred during 2012 to regroup all employees on two sites instead of three. This included a move to two new locations, one in Paris and the other in Valence, which had a twofold impact on energy consumption: optimised use of the buildings by regrouping Ingenico employees and use of more efficient buildings in terms of energy consumption led to a decrease of about 25 percent in GHG emissions compared with 2011.

Water consumption

In 2012, the amount of water consumption was tracked locally at each subsidiary's level. Global water consumption for the Group in 2012 was 26.2 thousands of cubic meters.

(in thousands of m^3)	2012	2011
Water consumption	26.2	22.9

Group companies began several initiatives to reduce water consumption. The buildings in France, Brazil and China, for example, are equipped with automatic faucets or dual flush toilets and our office in Turkey recycles used water for the toilets.

Substance and noise pollution

In order to evaluate the greenhouse gas emissions generated by the Group's activity, an analysis of GHG emissions based on 2011 data was made on the Group's perimeter. Details of the GHG emissions calculations can be found in the section entitled "Analysis of the greenhouse gas emissions".

Olfactory and noise pollution produced by Ingenico activity is negligible, so no specific reporting is kept.

Land use

Ingenico's activity has limited impact on ground soil; therefore, ground soil pollution is not specifically reported.

Biodiversity conservation

Ingenico's activity has not revealed any direct negative impact on biodiversity.

2.1.3 PRODUCTS AND SOLUTIONS OFFER

2.2.3.1 General approach

One of the major stakes for Ingenico is to reduce the environmental footprint of the products it sells and the services it offers. The Group's environmental policy is built upon leverages such as research & development, eco-design and incorporation of environmental criteria in its procurement policy with the objective to minimize the impact of the Group's activities on the environment.

Analysis of the GHG emissions has shown that the phase of utilization of terminals plays the largest post in GHG emissions, accounting for 73 percent of which 42 percent consists of energy consumption linked to terminals use and 31 percent to thermal paper used for the terminals (ticket printing).

This analysis also demonstrated that the extraction of raw materials and the manufacture of the components constitute the largest contributors in the production phase (for more details, refer to the section entitled "Raw and auxiliary materials consumption").

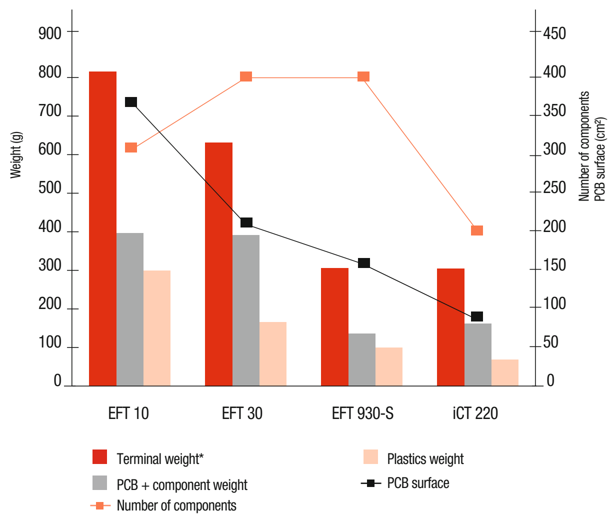
All of the above indicators prove the sound basis for the Group's eco-design approach in its environmental policy.

2.1.3.2 Eco-design

The design stage is when the most important decisive actions can be taken to control the environmental impact of the products.

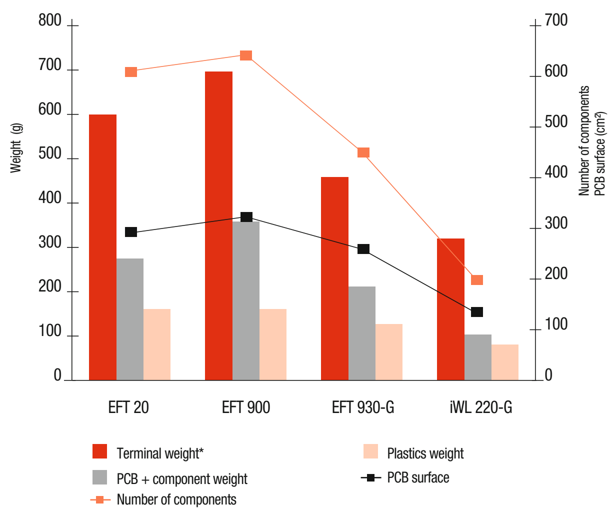
Ingenico promotes "eco-design" of the terminals by eliminating hazardous substances, optimizing energy consumption, reducing the number and weight of components, increasing the life cycle duration and facilitating end-of-life recycling. Technological advances go hand in hand with constant and perceptible improvements in their environmental performance, as shown in the illustration below. To cite an example, the new generation of countertop devices generated a reduction of 2.5 times in their weight, more than 2.6 times in the plastic mass, more than 3.3 times in the surface of the printed circuit board and more than 1.5 times in the number of components. Design of new generations of wireless devices, for which sales are constantly rising among total product sales of the Group, has paved the way to significant reductions in all these indicators.

ANALYSIS OF COUNTERTOP DEVICES DESIGN



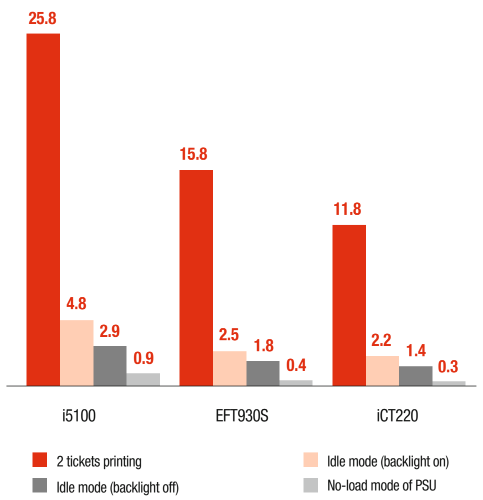
* cables, power supply and thermal paper are not included

ANALYSIS OF WIRELESS DEVICES DESIGN



* cables, power supply and thermal paper are not included

ENERGY CONSUMPTION OF COUNTERTOP TERMINALS IN DIFFERENT OPERATING MODES
(in watts)



2.1.4 MONITORING OF ENVIRONMENTAL PERFORMANCE AND REGULATORY COMPLIANCE

Supervision of the environmental policy of Ingenico SA particularly involves setting up the Environmental Management System based on ISO 14001, monitoring GHG emissions via the Group-wide assessment and expanding the process of environmental reporting.

The environmental policy of the Ingenico Group also intends to set the example for compliance with the applicable environmental regulations.

2.1.4.1 Certified Environmental Management System

Environmental conservation is a growing concern. In order to control the environmental impact of its business activities, a company needs to adopt a soundly structured approach for lasting effects. For this reason, Ingenico SA has chosen to integrate the environmental aspect in its Quality Management System.

This trend was confirmed in 2012 with the renewal of the ISO 14001 certification initially obtained in 2010. As the international standard for environmental management, ISO 14001 provides the framework for determining the measures and procedures which collectively contribute to a better control over the impact of its business, products and services on the environment. ISO 14001 imposes the establishment and implementation of environmental practices such as compliance with applicable environmental regulations, determining the aspects and evaluating any significant environmental impacts, establishing objectives and a program for achieving those objectives or implementing continuous improvements via specific monitoring and measurement methods.

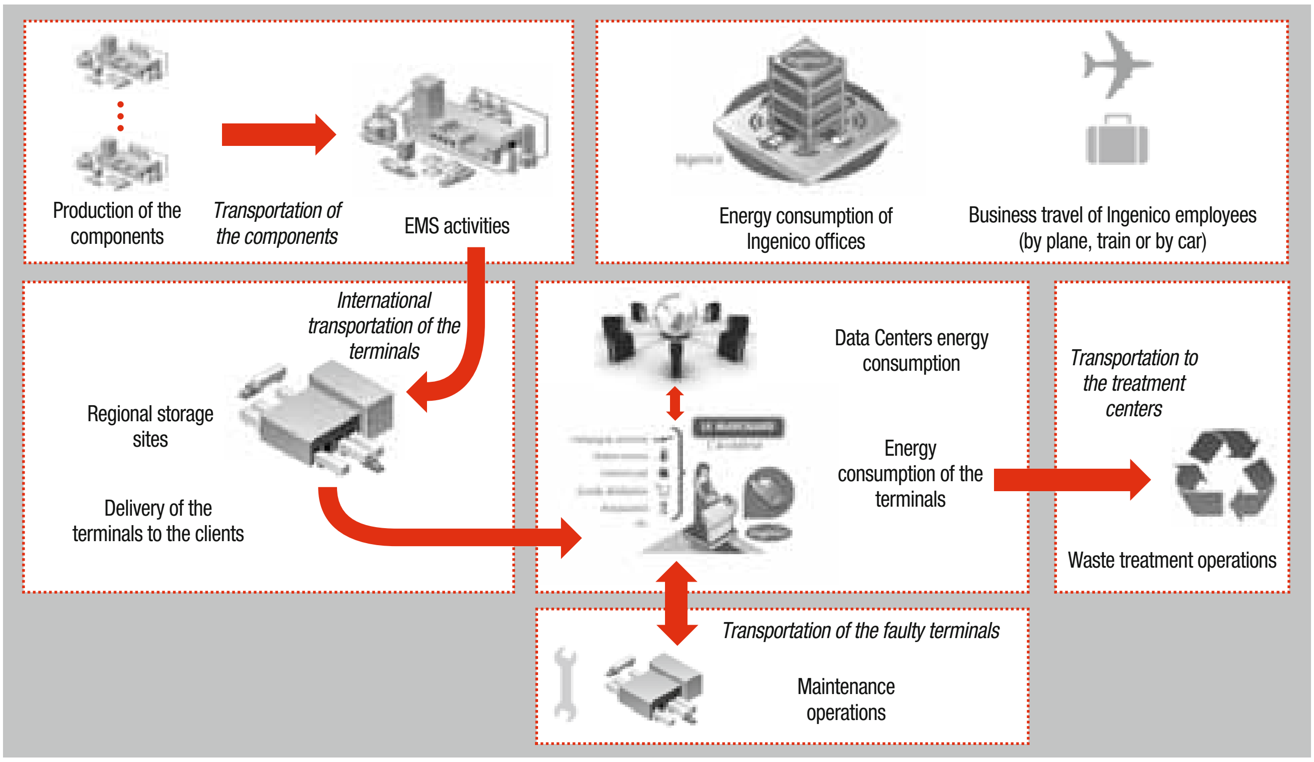
In China, Ingenico's subsidiary Landi has also set up an ISO 14001 certified Environmental Management System.

2.1.4.2 Assessment of greenhouse gas emissions

To monitor the GHG emissions of the Group, Ingenico has completed an analysis of GHG emissions in 2012 based on 2011 data. This initiative goes beyond strict compliance with the Grenelle II Act since a study of GHG emissions was extended to a broader scope encompassing the entire value chain of the Group. The elements below were also included in the analysis:

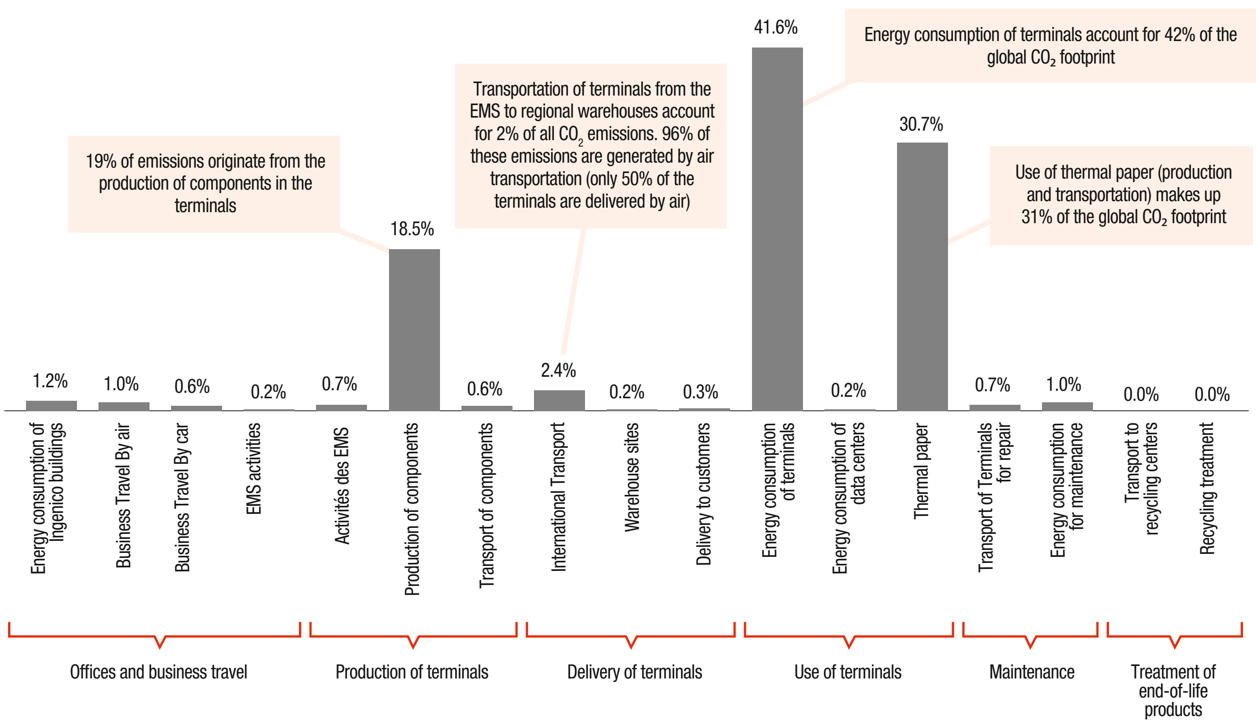
- Energy consumption and cooling/heating systems in the Group's buildings and sites;
- Business travel;
- Energy consumption and cooling/heating systems of EMS;
- Production and transportation of terminal components;
- International transportation and delivery from EMS to the customer;
- Energy consumption of terminals;
- Production and transportation of the paper needed for printing out transaction tickets;
- Energy consumption of the data centers (only for services provided by Ingenico);
- Collection and delivery (round-trip) of terminals for repair;
- Energy consumption and cooling/heating systems of the maintenance centers;
- Transportation of end-of-life terminals to the place of destruction;
- Treatment of end-of-life terminals.

SCHEMA OF THE ELEMENTS INCLUDED IN THE GHG EMISSIONS ANALYSIS



Through this analysis, it has been possible to identify those elements with the largest GHG emissions and therefore target preventive actions for the most important ones. The results of this analysis will furnish data for the Group's plans with respect to reducing GHG emissions, which is dedicated to a long-term approach to continue its progress and improvements of its environmental performance.

PRINCIPAL SOURCES OF CO_2 EMISSIONS OF INGENICO'S VALUE CHAIN



2.1.4.3 Evaluation and regulatory compliance

The Ingenico Group monitors and analyzes implementation of actions in order to comply with current 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 (Restriction of the use of certain Hazardous Substances) Directive aims to reduce the use of certain substances that are hazardous to the health and to the environment and which could be found in electrical and electronic equipment (lead, mercury, cadmium, chromium and flame retardants [PBB and PBDE]). In 2012, all of the products delivered by Ingenico were RoHS-compliant;
- the REACH (Registration, Evaluation, Authorization and restriction of CHemicals) regulation requires that information be provided throughout the distribution chain if such so-called Substances of Very High Concern (SVHC) are used in the manufacture of products and to notify the ECHA (European Chemicals Agency) accordingly. Ingenico has monitored its suppliers as well as performed laboratory tests to ensure that no substance on the SVHC list, updated on a regular basis by the ECHA, 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 regulation;
- the WEEE (Waste Electrical and Electronic Equipment) Directive, applicable in the European Union, requires manufacturers of electrical and electronic equipment to organize and finance the collection, treatment and disposal of their end of life products. Ingenico offers a specific network to its distributors for the collection and recycling of their end-of-life terminals and complies with the requirements to inform the users, the recyclers and the local authorities in accordance with this directive;
- the Batteries and Accumulators Directive regulates the use of certain hazardous substances and obliges the collection, treatment and disposal of this type of waste, including any which may be incorporated into electrical or electronic products. Ingenico complies with the design and information requirements which are identical to those of the WEEE Directive;
- the Packaging Directive seeks to reduce at the source the weight and volume of packaging required for products 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 ErP (Energy-related Products) 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 the measures published by the European Commission and strives to uphold eco-design principles in its new product ranges.

Above and beyond applicable regulatory requirements, Ingenico also works toward promulgation of the use of thermal paper containing no Bisphenol A in its terminals.

Ingenico has access to tools to monitor regulations to ensure its awareness of environmental regulations applicable to the Group's business.

2.1.4.4 Prevention and reduction of environmental risks

Measures to prevent or reduce the impact of the Group's activity on the environment

The business activities of the Group represent no significant risk to the environment as Ingenico sells and distributes products but does not manufacture them.

Nevertheless, initiatives have been taken to prevent and reduce such risks. As an example, Ingenico Healthcare (previously Xiring) as well as the French and Italian locations, have called in external service providers for laboratory tests, environmental regulatory monitoring, advice on environmental matters and ISO 14001 environmental certification services, for example. All these initiatives emphasize Ingenico's actions for the prevention and reduction of the impact of the Group's activity on the environment.

The Group also intends to improve its employees' awareness of the environment. To this end, Ingenico SA encourages its employees to adopt environment-conscious attitudes in their daily work. As a consequence, several initiatives were introduced to:

- lower paper consumption (such as systematic printing/copying in double-sided mode);
- reduce business travel through greater use of videoconferencing;
- limit energy consumption;
- promote the sorting of waste.

A “Going Green At Work” booklet was issued at the Group level to inform employees of the everyday environment-friendly tips for preserving the environment and our planet.

In China, the subsidiary Landi organizes annual campaigns of awareness and training for the workforce on waste management, energy savings or risks of water pollution.

In Canada, employees benefit from posters placed around the office promoting the “3R” Program (Reduce, Reuse, Recycle). Training in eco-driving practices provided by the German subsidiary and sustainable development courses taken by employees in Australia also contribute to the prevention of the Group's environmental impact.

Following up on these initiatives, in 2012, Ingenico SA held sessions on environmental regulations related to products and to eco-design.

Controlling the indirect impact from suppliers

Ingenico operates in a fabless environment, meaning that production is outsourced to several EMS (Electronic Manufacturing Services), and Ingenico must therefore apply especially stringent standards to its various suppliers and sub-contractors, in particular with respect to environmental issues. To avoid indirect environmental consequences from such outsourcing, Ingenico incorporates environmental criteria in its procurement policy applicable to its business partners.

These environmental requirements (like for substances) were specified and integrated into the quality agreements with strategic suppliers as well as in the Supplier Quality Handbook issued by Ingenico. Ingenico's primary suppliers were reminded of such requirements during "Suppliers' Day" organized by Ingenico which also increased their awareness of environmental issues.

In 2012, the entire production of terminals was assembled by ISO 14001-certified EMS.

2.1.4.5 Reserves and guarantees related to environmental risks

The Ingenico Group has no knowledge of environmental litigation or environmental conditions which could adversely affect its holdings or the Group's financial results or impact the use of its tangible fixed assets. Therefore, no reserve for environmental risks was booked for the financial year 2012.

2.1.5 SUMMARY

	Unit	2012	2011
Resources			
Paper consumption	in metric tons	38.0	38.6
Water consumption	in thousands of m^3	26.2	22.9
Waste			
Non-hazardous waste collected and treated	in metric tons	496.8	482.1
Hazardous waste collected and treated	in metric tons	64.8	56.2
End-of-life products (WEEE) collected and treated	in metric tons	455.8	378.0
Energy			
Electricity consumption	MWh	9,340.0	9,478.5
Consumption of fossil energy (gas and fuel oil)	MWh	6,495.8	7,169.7
Total energy consumption	MWh	15,835.8	16,648.2
Emissions			
Greenhouse gas emissions of buildings	in tons of CO_2 equivalent	4,839.2	5,120.8
Average CO_2 emissions of company cars	gCO_2/km	162	167
Miscellaneous			
Production of terminals by ISO 14001-certified EMS	%	100	99
Environmental spend	In thousands of euros	377.2	369.3

2.2 Human resources information

Year after year, Ingenico reinforces its international dimension and positioning. Today, the Group is present in more than 40 countries and employs a workforce of close to 4,000 employees. The multicultural and highly-qualified profile of Ingenico teams, linked to the specificity of its high-tech activities and local markets, are the true wealth of the Group.

The objective of the Ingenico's Human Resources policy is to develop the Group's primary resource – its human assets – alongside the growth of the business. The policy aims at promoting a common culture and a sense of belonging among the various entities of the Group around the world based upon different vectors such as Ingenico's ability to integrate its employees, to develop their skills, to recognize and compensate their performance.

Implementation turns around two principle axes: harmonization of tools and practices and support of employees. In 2012, these two axes resulted respectively in the introduction of an information system accessible to all Group entities and in the launch of the Ingenico University training platform.

In order to roll out its policy, the Human Resources Department relies on its close proximity to the Regions where it is represented. Such an organization promotes an on-going collaboration between the central and local teams (communication, sharing experiences, etc.).

The growth of the Group's workforce linked both to its organic growth as well as to integration of new structures, is steady. In light of this context, the Human Resources Department intends to continue its strategy of harmonization and support of all teams on the four continents.

2.2.1 THE HR INFORMATION SYSTEM, THE FOUNDATION FOR HARMONIZATION

The year 2012 saw the implementation of the Human Resources Information System "iHRIS" within the Group. Besides creation of the tool, its existence stimulated the development of a Human Resources culture based on a common language, benefiting from shared experiences and initiating a standardization of work processes relating to performance management, employee reporting, management of employment, competencies and skills, as well as remuneration and benefits.

Implementation of iHRIS was thus the ideal opportunity to standardize classification into different categories of career specialization by groups and job profiles. Each job profession now belongs to one of 13 career groups and to one of 165 job profiles. Creation of this information system has also allowed for homogeneous transmission of information by the subsidiaries, making comparisons easier.

The Group-wide performance evaluation campaign launched in some forty countries and in six different languages demonstrated the fruits of such standardization as close to 92 percent of the Group employees participated for the 2012 annual evaluation.

Roll-out of "iHRIS" has also produced specific local initiatives such as introducing a coaching model for management in Turkey and kick-off of a "Staff Global Recognition Program" in Australia whose objective is to back the efforts of the workforce.

2.2.2 THE CORPORATE CULTURE

With such a cultural melting-pot, Ingenico aspires to developing a sense of belonging and strong attachments among all its entities. Several different internal communication actions were conducted in 2012: launch of a new Intranet, creation of a newsletter circulated throughout the Group, production of a corporate television system in France (Ingenico TV) and open-house sessions to present the R&D activity. For the first time, Ingenico in France also welcomed the children of its employees to its offices in Paris for an open-house party full of games for them to get to know the company.

This initiative is also illustrated by a project called "Knowledge Sharing" started in 2012 to enable a collaboration tool to facilitate communication and knowledge sharing within the Group.

2.2.3 INFORMATION ON THE WORKFORCE

2.2.3.1 Total workforce as of December 31, 2012

A STEADILY GROWING WORKFORCE

	Total	CDI	CDD
APAC	1326	882	444
EEMEA	240	236	4
LAR	234	234	0
NAR	223	221	2
SEPA	1145	1102	43
Central operations	774	753	21
	3942	**3428**	**514**

The total workforce of the Ingenico Group increased by approximately 10 percent between 2011 and 2012. As a result, there were 3,942 persons employed at the end of 2012 versus 3,570 at the end of 2011.

The growth of Ingenico's workforce around the world is due, in particular, to expansion in the Asia-Pacific and SEPA Regions which employ the largest staff.

EMPLOYEE POPULATION BROKEN DOWN BY MEN-WOMEN

Permanent & Fixed Term Employees	Women	Men
APAC	213	1,114
EEMEA	62	179
LAR	81	153
NAR	77	146
SEPA	395	755
Central operations	179	588
	1,007	**2,935**

Out of a total workforce of 3,942 as of December 31, 2012, the percentage of women equals 26%, increased by 8.5% over 2011. This breakdown can be explained by the different functions within Ingenico.

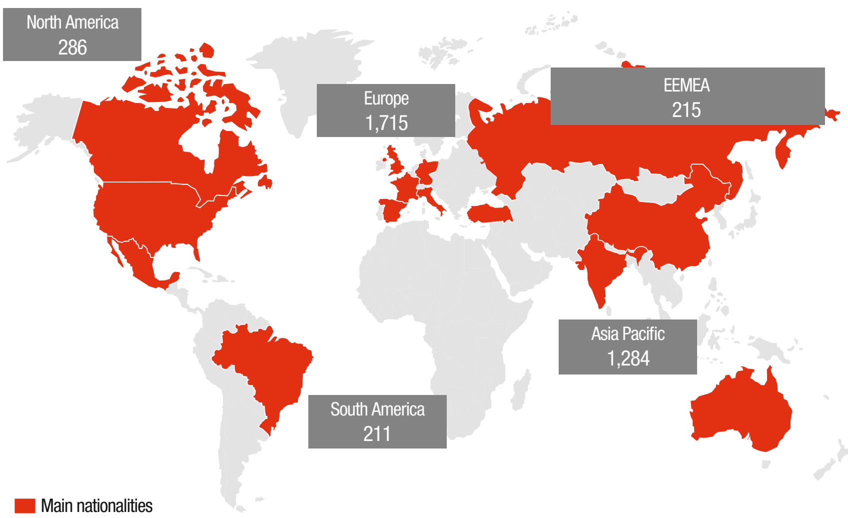
BREAKDOWN BY AGE

Permanent & Fixed Term Employees	< 30	Between 30 & 50	> 50
APAC	652	637	28
EEMEA	97	129	15
LAR	67	151	16
NAR	18	132	73
SEPA	136	802	212
Central operations	93	543	131
	1,063	**2,404**	**475**

The average age of Ingenico employees is 37. It is noted that the senior population is relatively well represented for a company in the high-technology sector since 12% of the staff are over 50.

MULTINATIONAL TEAMS

Nationality	Permanent & Fixed Term Employees	%
Chinese	1172	29.7%
French	792	20.1%
German	454	11.5%
British	247	6.3%
American	195	4.9%
Brazilian	169	4.3%
Spanish	129	3.3%
Turkish	116	2.9%
Russian	99	2.5%
Italian	93	2.4%
Canadian	91	2.3%
Australian	62	1.6%
Indian	50	1.3%
Mexican	42	1.1%
Other nationalities	231	5.8%
	3942	**100%**



Present the world over, the Ingenico Group includes many different nationalities within its workforce which contributes to the cultural wealth and widespread roots within the Group.

TEMPORARY WORKERS AND OUTSOURCING

Full-time equivalent employees	Total	Outsourced	Temps
APAC	59	39	20
EEMEA	-	-	-
LAR	127	127	-
NAR	183	166	17
SEPA	416	171	245
Central operations	144	142	2
	929	**645**	**284**

In 2012, the number of outsourced and temporary workers at Ingenico amounted to 929 full-time equivalent (ETP) employees. Outsourced workers represent 69% of all staff from outside the company and regroup essentially the activities related to applications, development call center, maintenance and repair services.

2.2.3.3 Employee movements in 2012

Internal mobility

Ingenico encourages the functional and geographical mobility of its employees. Its international status especially offers opportunity to work abroad and to be transferred overseas, whether coming from a Region to the headquarters or from the headquarters to a Region or between one Region and another. All functions have the opportunity for mobility (Finance, Marketing, Technical, etc.).

RECRUITMENT

	Total	Permanent Employees	Fixed Term Employees
APAC	352	254	98
EEMEA	101	100	1
LAR	58	58	-
NAR	43	41	2
SEPA	148	117	31
Central operations	219	185	34
	921	**755**	**166**

The increased number of recruitments in 2012 can be explained by a strong organic growth as well as by two acquisitions in 2012, i.e., acquisition of Roam Data, Inc. in the U.S. in February 2012 (48 employees) and of Arcom in Russia in March 2012 (54 employees). Eighty-two percent of all recruitments are for employees under fixed-term employment contracts.

LEAVERS

	Total	Permanent Employees	Fixed Term Employees
APAC	157	78	79
EEMEA	19	17	2
LAR	56	56	-
NAR	30	30	-
SEPA	165	135	30
Central operations	116	87	29
	543	**403**	**140**

In 2012, 543 employees left the Group. Dismissals accounted for 32% of leavers, of which 2% were for economic reasons.

BREAKDOWN OF LEAVERS BY REASON

	Total	Permanent Employees	Fixed Term Employees
Resignation	264	182	82
Dismissal for personal reasons	162	159	3
End of contract term	50	-	50
By mutual agreement	29	27	2
End of trial period (by employee)	11	10	1
Dismissal for economic reasons	10	10	-
Retirement	7	7	-
End of trial period (by employer)	6	6	-
Death	4	2	2
	543	**403**	**140**

2.2.3.3 Remuneration and benefits

The total compensation package is a key element in the human resources policy of the Group. The Human Resources Department desires to valorize and compensate each employee's contribution to the success of the Group.

With this objective in mind, a workshop at the Group level was initiated regarding the homogenization of salaries and benefits. This workshop also reflects the Group's ambition to recruit the best skills to accompany its development and to gather the talents in a very competitive high-technology market.

The bonus scheme policy for managing directors, applicable to managing directors in the Regions since 2011, has been extended to country managers in 2012.

In 2012, the average monthly compensation of Group employees is 3,031 euros (excluding collective bargaining benefits, bonuses, commissions, bonus schemes and employer charges), which is 2.2% higher than in 2011.

2.2.4 ORGANIZATION OF WORKING HOURS

Organization of working hours

Within certain entities, specific provisions for organization of working hours have been arranged. In the Group:

- a total of 3,340 employees are exempt for overtime provisions as of December 31, 2012. These were mostly managers and executives for whom the theoretical number of hours worked per week is fixed but can vary according to the workload;
- a total of 602 employees are subject to overtime provisions and are paid for the overtime hours worked.

In addition, certain employees benefit from part-time work or from the possibility to work from home.

Part-time employees

To promote a better balance between the professional and private life for its employees, Ingenico provides for flexible working hours. Employees who have chosen to work part-time, represent less than 3% of the total workforce of the Group. In France, the majority of the 43 part-time employees (versus 36 in 2011) work 4/5 time. None of these employees have been required to work part-time.

BREAKDOWN BY FULL- AND PART-TIME EMPLOYEES	Total	Full-time	Part-time
APAC	1,326	1326	-
EEMEA	240	239	1
LAR	234	234	-
NAR	223	222	1
SEPA	1,145	1080	65
Central operations	774	734	40
	3,942	**3,835**	**107**

Home-work

Some of the employees of the Group have chosen to work away from the office, either full-time (31 employees) or part-time (21 employees) in 2012. This is the case especially in Australia, Canada, U.S., Germany, France and the United Kingdom.

Absenteeism

In 2012, the rate of absenteeism of the entities within the Group varied between 1% and 2.5%.

2.2.5 LABOR RELATIONS

2.2.5.1 Social dialog

The labor relations environment is an important part of the Group's Human Resources policy. Ingenico believes in maintaining a constructive dialog with its social partners, based on mutual respect, and seeks quality in its labor relations.

The Group acts in a manner structured so as to keep up a permanent dialogue between management, employees and their representatives to accompany its changes.

The Group respects the right to freedom of association and collective bargaining. Any employee can establish or subscribe to the union of his/her choice. The Group also recognizes and respects the right of its employees to be represented by their respective unions.

The entities in Germany, China, Spain, South America and Australia as well as Ingenico SA have Works Councils or employee representative bodies. In these same entities, except for Australia, there are also workers' unions.

Collective bargaining agreements exist in several entities such as Ingenico SA, Ingenico Prepaid Services (France), Ingenico Germany, Ingenico Iberia, Ingenico Italy and Ingenico Brazil. At the Group level, 1740 employees are covered by these collective agreements.

In addition, Ingenico takes actions to facilitate dialogue and to improve the clarity of communication among employees. So the companies in Australia, Canada, India and Roam Data in the U.S. regularly organize meetings with all of their employees, and annual dinner parties are also organized in France and India, for example.

2.2.5.2 Review of the collective agreements

The following collective agreements applicable to employees of Ingenico SA in France were concluded in 2012:

- July 17, 2012: a collective agreement related to employee bonus linked to dividend increases for the year 2011;
- July 17, 2012: a collective agreement for assistance with moving expenses as part of employee transfers between the Paris and Valence (France) offices;
- July 20, 2012: a collective agreement for a voluntary employee pension scheme or retirement plan, with employer matching employee deposits up to a certain limit allowed by law.

2.2.6 HEALTH AND SAFETY

2.2.6.1 Working conditions and safety in the workplace

The Group believes that working conditions should enable compliance with the basic regulations of health and safety. This principle is part of the Code of Ethics and Business Conduct of Ingenico. Specific regulations have been put in place among the Group's entities.

A certain number of the legal entities of the Group have set up a health and safety committee: Ingenico Canada Limited, Ingenico SA (France), Ingenico International (Pacific) Pty Ltd. (Australia), Ingenico Teknokent Istanbul (Turkey), Ingenico do Brasil Ltda (Brazil) and Ingenico Iberia (Spain). Employee representation within these committees varies, from less than 25% in Australia to more than 75% in Canada, France and Brazil.

In France, a "document unique" is established for each of the French offices (Paris, Valence, Suresnes and Mérignac). It transcribes the results of workplace risk assessments and lists the necessary changes. Ingenico SA has also created 39 teams of occupational first-aid rescue workers (SST). In the event of fire in the buildings, groups of Primary Intervention Teams (EPI) are formed and trained on site, and an evacuation guide is sent to all employees, evacuation routes of the buildings are posted at each floor and regular evacuation exercises are held. In addition, Corporate services check the safety instructions (FDS) for products used in Research & Development and periodically monitor regulatory controls on the locations in Valence and Paris.

2.2.6.2 Review of the agreements signed with unions or employee representatives relating to health and safety in the workplace

With respect to health and safety in the workplace, Ingenico Brazil has signed an agreement with the CIPA (Internal Commission for the Prevention of Accidents).

2.2.6.3 Accidents and work-related illnesses

At the Group level, the number of accidents occurring on the workplace or on the way to work or work-related illnesses is not significant.

	No. of accidents in the workplace or in transit in 2012	No. of work-related illnesses in 2012
TOTAL	**13**	**1**

No fatal accidents occurred in the workplace in 2012.

2.2.7 TRAINING AND SKILLS DEVELOPMENT

2.2.7.1 Training policy

As a leader in the high-technology industry, Ingenico believes in discovering and developing the talent and skills of its employees. The Human Resources Department has set an objective to enable each employee to benefit from at least one training per year.

As a result, Ingenico launched Ingenico University in 2012, a worldwide platform of training modules with an intranet portal available to all employees. The creation of Ingenico University is part of its efforts to promote corporate culture and to reinforce the organizational and managerial abilities of the Group. Ingenico University is not only the way for Ingenico to reinforce the encouragement and development of competencies of its employees but also a way to share the vision of the Group. This initiative aims at making Ingenico University a proactive platform based on anticipating future needs and experience sharing.

In 2012, two pilot modules were launched as part of the training program for project management of Ingenico University. The first training module relating to the methodology applicable to project management «Prince2», was presented to six project leaders of the Group and of the EEMEA Region. Thanks to the second module, 14 managers from South America, Spain, France, Germany and the

United Kingdom were able to benefit from training on the methodology for steering projects of the Group.

At the same time, a training program named "People Management" was born. Its objective is to provide tools to managers to develop their management skills. In 2012, the first module dedicated to competencies for performance evaluation management provided the possibility to train 9 managers in Italy, Spain, France, Germany and the United Kingdom.

The satisfaction rate of such managers who benefited from these trainings is an average of 90% for the two programs. In addition, 96% of the managers thus trained confirmed that they were able to apply the knowledge obtained from the training sessions in their work.

On top of this global training offer, several regions or subsidiaries have at their disposal training and personnel competencies management function. This is the case for Hungary, Spain, the United Kingdom, Australia, the U.S., Ingenico SA (France), China and the Czech Republic. In addition, the Human Resources intranet website of Ingenico SA publishes availability of occupational trainings and the Right to Individual Training (DIF).

2.2.7.2 Actions to promote training

The percentage of the amount dedicated to training budgets in proportion to the gross salary of all employees in legal entities vary from 1% to 5%.

In those Group entities with a training function, the number of employees who received training increased by 32% in 2012, from 980 employees in 2011 to 1,291 employees in 2012.

A few examples for 2012:

- In the subsidiaries in Canada and the Czech Republic, as well as TransferTo, all employees benefitted from at least one training;
- Within Ingenico SA (France), 446 employees follow training courses during the year, representing 59% of the total number of permanent employees;
- 40 training sessions were held in China with 566 employees participating or 49% of the total permanent personnel;
- In Australia, 18 permanent employees out of 72 received training (25%).

2.2.8 EQUALITY IN THE WORKPLACE

Equality in the workplace based on merit and competence is one of the six principles in the bussines code of Ethics and code of conduct.

2.2.8.1 Equality between men and women

As an example, the subsidiaries in Germany, United Kingdom, Australia, Canada, the United States, China as well as Ingenico SA (France), Roam Data (USA) and the Czech Republic all have internal policies in favor of equality between men and women and have initiated relevant actions.

Average monthly base salary as of December 31, 2012 (in euros) (excluding bonuses and collective agreement benefits, commissions, bonus scheme and employer charges)	
Women	2,820
Men	3,355

In France, the comparison between general working conditions and training opportunities for women and men in the workplace is presented once a year to the employee representatives.

2.2.8.2 Employment and integration of disabled workers

Ingenico promotes employment and integration of handicapped persons.

In Turkey and Italy, for example, local law requires that 3 handicapped persons be employed for every 100 employees. At our Turkish subsidiary, there are currently 2 handicapped employees for 115 employees and one vacant position.

In Canada and the United Stated, actions undertaken are based principally on national or federal regulations. Important initiatives have been inaugurated in these two countries to guarantee the rights of blind persons, persons with low vision or other handicaps. In Canada, Ingenico follows the Ontario Human Rights Code and the Canadian Charter of Rights and Freedoms, and in the U.S., Ingenico observes the Americans with Disabilities Act (ADA) in order to fight discrimination against people with mental or physical handicaps.

In the United Kingdom, Ingenico implemented an equality policy to ensure equal opportunities for everyone while Ingenico SA (France) requested the services of the Red Cross to employ handicapped persons to provide various services on the Valence site.

Finally, the Chinese subsidiary, Landi, proposes a certain number of jobs adapted to the handicapped and, within this scope, employs 6 disabled persons in 2012.

2.2.8.3 The fight against discrimination and harassment

The Code of Ethics and Business Conduct asserts the Group's determination to provide and maintain a work environment which protects the dignity of all and guarantees against discrimination and sexual or moral harassment.

It explicitly mentions that discriminatory practices based on race, national or ethnic origin, color, religion, age, sex, sexual orientation, marital situation, invalidity or anyone granted amnesty from a prison sentence shall not be tolerated. Discrimination and harassment towards suppliers, consultants, customers or other persons with whom the Group entertain business relations are also forbidden.

It is also specifies therein that no employee of the Group should be subjected to moral, sexual or any other form of harassment in the workplace, whether by another employee or a third party with whom the Group has a business relationship.

2.2.9 COMMITTTMENT TO ETHICS

The Business Code of Ethics and Code of Conduct applies to each entity of the Group and to all employees around the world, including management and managerial staff.

The Code in particular promotes compliance with the provisions of fundamental agreements of the International Labour Organization (ILO) relating right to freedom of association and collective bargaining, elimination of employment and professional discrimination, elimination of forced or obligatory labor and the definitive abolition of child labor.

2.3 Society Involvement

Ingenico's commitment to the Society is demonstrated by the implementation of policies and actions with local players in the various countries where it has a presence either direct or indirect via its distributors.

This initiative goes hand in hand with a consistent dialog with its primary stakeholders for the respect of values and principles common to the entire Group as defined in the Code of Ethics and Business Conduct.

2.3.1 TERRITORIAL, ECONOMIC AND SOCIAL IMPACT OF INGENICO ACTIVITY

2.3.1.1 Employment and local development

By virtue of its presence and its activity, Ingenico energizes local employment markets and, in particular, implementation of policy and practices in favor of hiring local residents, such as in Canada and in the United States.

In the same way, a certain number of entities of the Group promote use of local suppliers, thus contributing to the development of the economic fabric of the majority of countries where the Group is present such as Southeast Asia, Australia, Canada, France and India.

2.3.1.2 Impact on local or resident populations

In the different locations where it operates, Ingenico involves itself with associations (charitable works and residents' associations) such as the Norwich Gadbrook Park Business Association in the United Kingdom to set up cycling paths and organize carpools, for example.

Through its activities in the microfinance sector, the Group also contributes to development of the local population by facilitating access to certain financial services. In fact, in certain African, Asian or Latin American countries where the network of branch banks are not adapted to the greater part of the population, microfinance institutions send out, for example, itinerant agents into the villages. Ingenico provides these institutions with solutions including mobile biometric terminals, sturdy and secured, that the agents can bring in the field. Based on digital print recognition of the client and the agent, these terminals extend the availability of banking services and reinforce transaction security.

In this way, Ingenico formed a partnership with a Beninese microfinance institution, Finada, selected in 2012 during the initial bid for financing of the Migration and Development Fund of the AfDB (The African Development Bank). Within this scope, Ingenico provided terminal solutions and application with biometric identification to facilitate electronic transactions, deposits, withdrawals, payments of bills, reimbursement, money transfer or even mobile up. The objective of this project is to progressively extend access to banking and finance services to an estimated two million customers, both physical persons and companies, by deploying biometric terminals in microfinance establishments, supermarkets, pharmacies, service stations and in the offices of the electric company or the water company, for example.

Ingenico's microfinance activity in Africa is increasing, estimated at 6% of the turnover for this continent in 2012.

In continuation of this initiative, Ingenico has published a white paper on solutions for financial integrations of unbanked populations in emerging countries entitled “Bringing financial services to emerging countries” available on the website (www.ingenico.com).

2.3.2 RELATIONS WITH STAKEHOLDERS

Ingenico has implemented various actions to establish a consistent and transparent dialogue with its primary external stakeholders: its customers, suppliers, distributors, shareholders and the financial community as well as the payment industry, associations and local authorities.

2.3.2.1 Customers

In order to sustain its privileged relations and maintain a dialog and constant contact with its customers, Ingenico uses in particular its sales force.

Beyond the normal commercial relationship, the Group reaches out to its customers and prospective clients at major events such as CARTES Exhibit in Paris. At the 2012 event, Ingenico sponsored a booth then gathered more than 250 customers from the world over for a reception at the National Conservatory of Arts and Industry (*Musée des Arts et Métiers*) in Paris.

Similarly, Ingenico participated in the NRF Retail's Big Show organized by the National Retail Federation in New York. This event lasted four days and enabled Ingenico to network and to promote its technology and payment solutions by organizing an exposition.

Ingenico was also present among the 315 exhibitors at the 8th edition of the «Venditalia» in Milan, the forum of reference for automatic distribution.

In 2012, the Ingenico Group also participated in the following events:

- "Cartes in Asia" exhibition in Hong-Kong;
- "Cards & Payments Middle East" conference in Dubaï;
- "Mobile Money Global Summit" in Dubaï;
- "AITEC Banking and mobile money COMESA" conference in Kenya;
- "Forum Postal Africain" in Morocco;
- "Cartes Afrique" exhibition in Morocco;
- "CIAB" convention on technological and banking innovations, in Brazil;
- "Finance Forum" in Mexico;
- "EUROCIS" exhibition for sales technologies, in Germany;
- "eHealth Week" in Denmark;
- "Mobile World Congress" in Barcelona;
- Conference on new forms of payment via mobile, in Madrid;
- "Equipmag", exhibition of points of sale, retail and distribution, in Paris;
- "Health-IT Expo", exposition dedicated to technologies and information systems applied to the health sector, in Paris;
- "SITL", logistics exposition, in Paris;
- "Pharmagora", exhibition for the pharmaceutical industry, in Paris;
- "Pay Forum" in Paris;
- "Vending Paris", international exhibition of automatic distributors, in Paris;
- "Forum Retail" in Milan;
- "ABI Carte" conference in Rome;
- "Forum Banche e PA" in Rome;
- "Les Assises", convention for security and information systems, in Monaco;
- "SDW", international exposition of the secured document, in the U.K.;
- "Cards and Payments Awards" in the U.K.;
- "RBTE" (Retail Business Technology Expo) in the U.K.

Ingenico also participated in conferences and promotional events in order for the various players on the market to meet, such as the Paylab initiatives in Italy. Organized twice a year in cooperation with AziendaBanca, reference magazine for the banking sector, these conferences offer the opportunity to meet high-ranking executives in charge of the major Italian banks, telecom and distribution companies and to meet university experts and consultants.

2.3.2.2 Suppliers

The relationship with suppliers is particularly strategic for Ingenico since its business model is based on entirely externalizing its production of terminals, except for terminals for the Chinese market. In this context, the Purchasing Department of the Group maintains a regular dialog with its suppliers, invited to "Suppliers' Day" in 2012 which was attended by 47 suppliers representing 98% of terminal production costs. The Purchasing Department also organizes quarterly reviews with its two primary sub-contractors (EMS) of the Group with the objectives of optimizing flows, logistics as well as planning for eventual supply shortages. For more complete information on the relations between suppliers and sub-contractors, see also the following chapter.

At the local level, some initiatives were carried out, such as in India and Canada, where quarterly or monthly reviews are organized with key suppliers on quality of service and potential areas for improvement.

2.3.2.3 Our distributor partners

In certain areas of the world, the Ingenico Group relies on a network of distributor partners with which it maintains a close relationship.

Ingenico has regular meetings with its distributors, for example each quarter in India, in order to improve forecasts and management of the supply of terminals. In Canada, meetings with distributor partners are also an opportunity to discuss questions relating to customer needs, proposed solutions, availability of products, pricing and competition. And a “tour de France” of five cities is planned each year during which meetings with distributors are organized on current topics and the evolution of Ingenico offerings.

Each year, the EEMEA Region invites its various partners to an event organized concurrently with the CARTES exhibition in Paris, at which awards are distributed before the Ingenico Group management. In 2012, this event was held at the Harcourt photo studio in Paris with more than one hundred partners. Several partners of this region participated in social and environmental programs (support of universities and schools, non-government organizations, foundations and especially microfinance programs), including Tracom and Craft Silicon in Kenya, Planad in Angola, African Resonance in South Africa, ASSECO and Mellon for Southeast Europe, Mellon also being a member of the United Nations Global Compact.

2.3.2.4 Shareholders and the finance sector

Ingenico also pays special attention to the quality of its relations with its shareholders and the financial community. Consequently, some communication tools were set up to offer information on a regular basis (annual reports, press releases, etc.) and a unit is dedicated to establishing an open channel of communication with its major investors, in particular through publication of annual and bi-annual reports.

In addition, a section on the Group’s website is devoted to providing the most recent information on the Group’s activities (http://www.ingenico.com/fr/finance).

In 2012, Ingenico received an award for transparency in the community services and technology division from Labrador, specialist in transparency in the regulatory information sector.

Ingenico was also ranked in the Gaïa Index 2012/2013, SRI index (Socially Responsible Investing) of French Small & Mid-Caps.

2.3.2.5 Players in the payment industry

As a major player in the payment sector, the Group ensures steady relationships with international payment groups, such as Visa, MasterCard, American Express, JCB, in charge of regulating and establishing international standards for their payment procedures. Ingenico strives to anticipate changes in these standards so as to provide the best platform for acceptance of international payment devices (cards and mobile phones).

Ingenico is member of the Advisory Board of the EMV consortium (EMVco) since 2011, a consultative committee made up of various players in the payment industry interested in the establishment and advancement of the EMV international standard for chip cards.

In Canada, Ingenico opened an especially steady flow of communication with local payment organizations and other members of the payment industry, such as the manufacturers of bank cards, on subjects such as the impacts of electrostatic discharges on cards and payment terminals.

2.3.2.6 Associations and professional organizations

Ingenico takes an active role in studies with respect to strategic, technical and regulatory matters through its membership in various associations and organizations.

With respect to security, Ingenico is member of the Advisory Board of PCI-SSC *(Payment and Card Industry-Security Standards Council)*, an international forum in charge of the development, management, education and awareness of security standards in the payment sector.

In Europe, Ingenico participates in initiatives promoting the *Single Euro Payments Area* (SEPA) for cards, whose objective is to enable European cardholders to use their payment cards to make payments and withdrawals in euros within the SEPA region with the same ease and convenience as in their own country. As a measure of its involvement, Ingenico is part of the *Cards Stakeholders Group* (CSG) which undertakes to define the specifications for standardization of the payment chain for cards in the SEPA region. Ingenico also takes part in technical standardization intiative for the development of specifications responding to specific items specified by the CSG.

In the EEMEA region, meetings are held once or twice a year with Planet Finance and the Bill and Melinda Gates Foundation within the scope of its microfinance activities.

In France, Ingenico is member of the EBG (Electronic Business Group), the top business club for digital economy in France and sponsors its e-commerce commission. EBG organizes events to promote exchanges between executives on their business experiences in France and soon around the world.

In addition, Ingenico is represented on the Board of Directors of ACT Canada (Advanced Card Technologies), an association promoting the interests of players in the payment industry.

Ingenico is also member of the following associations, organizations and work groups:

- ABINEE - Brazilian Electrical and Electronics Industry Association (Brazil)

  Non-profit trade association representing the electrical and electronic industrial sector.
- AIM – Australian Institute of Management (Australia)

  Institute for the improvement of management standards.
- APCA – Australian Payments Clearing Association (Australia)

  Trade association overseeing payment transactions and security.
- Assintel (Italy)

  National Italian association, reference for businesses in the sector of information, communication and technology supporting small and medium-sized enterprises.
- Bank Card Association (Czech Republic)

  Trade association representing the common interest of the German payment.
- BVZI (Germany)

  Trade association representing the common interest of the German payment.

- CIR TWG (SEPA)

  Work group on the standardization of a future payment application in Europe (SEPA-FAST).
- DSA - Direct Selling Association Strategic Solutions (Roam Data)

  Trade association promoting the interests of businesses producing and distributing products and services sold directly to consumers.
- EPASOrg (SEPA)

  International association contributing to the establishment of SEPA (Single Euro Payments Area) via standardization of communication interfaces within the payment terminal environment.
- ETA – Electronic Transaction Association (U.S.)

  Trade association providing its expertise to national players of the finance sector and to small merchants with respect to technological innovations in the point-of-sale products and solutions field.
- EVA - European Vending Association (SEPA)

  Trade association promoting the interests of automatic distribution with European institutions and other authorities and related organizations.
- FICCI – Federation of Indian Chamber of Commerce and Industry (India)

  Federation representing businesses in both the private and public sector.
- FinTech TAG (Technology Association of Georgia) - (U.S.)

  Trade association providing its thought leadership on innovative leadership for technology and emerging of mobile payments.
- Fujian Information Industry Commercial Association (China)

  Trade association regrouping businesses involved in the software, products and information services industry as well as members of high-tech industrial parks and higher learning institutes in the Fujian province.
- Fuzhou Good Faith Enterprise Association (China)

  Trade association in the Fuzhou region endorsing entities as "Good Faith" based on observation of their business practices.
- JTEMS (SEPA)

  Work group for the development of the ecosystem enabling use of common criteria (international standard of security for information systems) as a method of evaluating the security of payment terminals in the SEPA region.
- Mercatel (France)

  Organization for trade and retail businesses interested in the retailers of information systems and electronic payments.
- NRF – National Retailers Federation (U.S.)

  Federation providing thought leadership to national retailers in respect of technological innovations in point-of-sale products and solutions.
- OSCar (SEPA)

  Consortium aiming for implementation in the field of a standardized payment solution for merchants in the SEPA region, based on the standards developed by EPASOrg and CIR TWG.
- OSeC (SEPA)

  Consortium whose goal is to set up the European ecosystem for security evaluation and certification of payment terminals.
- Scottish Engineering (U.K.)

  Organization aiding employers in the industrial sector with issues related to employment, legislation, industrial relations, health and safety.
- Smart Card Alliance (U.S.)

  Non-profit association advising the industry stakeholders on the technologies of EMV chip cards and contactless technology.

2.3.2.7 Public authorities

Ingenico interacts with the local public authorities in most regions and countries where the Group is present, as illustrated by a few examples below.

At the level of SEPA region, Ingenico has regular contacts (meetings mainly regarding subjects requiring expertise) with European institutions and in particular with the Internal Market and Services Directorate General, Directorate General for Competition, Directorate General Connect of the European Commission as well as with the European Central Bank. Ingenico is also member of PSMEG (Payment Systems Market Expert Group), a group of market experts created by the Internal Market and Services Directorate General with the objective of assisting the European Commission in its legislative decisions with respect to electronic payments within the European Union.

In the United States, Ingenico meets quarterly with the Metro Atlanta Chamber of Commerce (Georgia) to discuss subjects such as job creation, driving the local economy, innovation and technology.

In the United Kingdom, Ingenico holds membership in the Fife Partnership in which it debates on such matters as the environment or job statistics in the Fife area, and maintains relations with other such public bodies in order to voice the views of the business community.

In Australia, Ingenico works together with the government agency "Workcover" on safety in the workplace.

2.3.3 PARTNERSHIPS OR PHILANTHROPY ACTIONS

Ingenico extends it corporate social responsibility by developing its partnership, sponsorship and corporate philanthropy on a local basis thereby coalescing the Group's relations with different parties.

2.3.3.1 Charities

The Group entities contribute regularly to charitable works and solidarity actions.

In June 2012, Ingenico SA proposed to its employees to participate in the Mecenova challenge organized by the "IMS Entreprendre pour la Cité association", a network of companies committed to the public good, in the following solidarity actions:

- The «j'accède» (*I can enter*) program with the objective of locating stores with access for persons with reduced mobility in a specific geographic perimeter;

- Solidarity marathon run to support "Action Contre la Faim" association;
- Survey on volunteer work.

In the United Kingdom, Ingenico makes donations every quarter to a charitable association and campaigns for awareness among employees by sponsoring events. As a result, in 2012, Ingenico supported the CLDF (Children's Liver Disease Foundation), MOVEMBER (fund-raising and awareness for men's health), CHAS (Children's Hospice Association Scotland) and Prince's Trust (association founded by Prince Charles to help unemployed young people to move into work, education or training). In addition, Ingenico put 400 mobile payment terminals at the disposal of participants of "Poppy Day" volunteers in London to facilitate and encourage public donations to the Royal British Legion. A similar action was undertaken for a raffle at a charity dinner "Card & Payments Awards" in February 2012, with a loan of 150 terminals. In addition Ingenico has set up an intranet site for its employees in the U.K. to share information on charitable actions in which they participated on their own behalf.

In 2012, Ingenico Australia gave donations to the Homeless People Organisation and to the Youth of the Street Organisation, two associations helping the homeless. The Australian subsidiary also helped the Day of Difference Foundation, assisting seriously injured children and their families and raised funds during the "Charity Golf Day" to supply computers to Aboriginal children living in the Australian out back.

Ingenico's subsidiary in the Czech Republic donated to Good Angel, charity fund providing financial support to children suffering from various forms of cancer.

2.3.3.2 Education

Ingenico has developed special relationships with various education networks. Most of the entities of the Group maintain close ties with the local schools for which visits of Ingenico sites, internships, apprenticeships, equipment or trainings are provided.

The Group also participates in events and exchanges with graduate schools and universities with a view to optimizing its recruitments, such as the Université Panthéon-Assas (Paris II) for the Master 2 of Business and Industrial Economics (France), the Adam Smith College (U.K.), La Sapienza University (Rome, Italy), Politecnico (Milan, Italy) or the Istanbul Technical University (Turkey).

Since 2010, Ingenico is a partner in the CPI (Creation of an Innovative Product) program based upon joint collaboration with the graduate schools: ESSEC, Ecole Centrale de Paris and the Strate Collège for Industrial Design in order to develop an innovative teaching method emphasizing economic efficiency and benefits for Society. For this purpose, Ingenico enters four projects per year to the CPI program on matters such as the role of payment in a network of interconnected objects or intranet collaborative for innovation in the workplace.

In Italy, Ingenico attends the "NFC and M-Payments" observatory of the Management School of "Politecnico di Milano" on innovative mobile payment systems. The Observatories of the *"Politecnico di Milano"* provide the opportunity for businesses to keep themselves informed on the latest news and innovative breakthroughs in digital technology.

2.3.3.3 Sports and cultural events

Ingenico's involvement in local communities is also demonstrated by its support and sponsorship of local sport clubs and schools. Ingenico supports the rugby schools of Racing Métro 92 and Massy in France, sponsors surf clubs and organizes ping pong, basketball or bowling tournaments for its employees in local clubs in Australia.

Lastly, in the cultural arena, Ingenico supports the AROP Paris Opera association (Association pour le Rayonnement de l'Opéra de Paris) and organizes events for its customers in museums such as the Jacquemart-André museum as part of the launch of the "Libertishopping" solution in France.

2.3.4 SUB-CONTRACTORS AND SUPPLIERS

Looking after its relationships with its suppliers and sub-contractors is of special importance to Ingenico due to its business model.

2.3.4.1 Social and environmental responsibility of suppliers and sub-contractors

Ingenico operates its business on a fabless model, meaning that practically the entire production is outsourced. In order to control its indirect social and environmental impacts, Ingenico has undertaken to insert clauses with respect to sustainable development in its quality contracts with suppliers and sub-contractors concluded at the Group level (excluding local suppliers). The main subject matters in these clauses are related to environment, health and safety, child labor and forced labor, discrimination and bribery prohibition.

In the Code of Ethics and Business Conduct, applicable to all Group companies, emphasis is placed on the suppliers and subcontractors compliance with the International Labour Organization's declaration of principles and fundamental rights in the workplace. These fundamental agreements cover the right to freedom of association, elimination of all forms of forced or obligatory labor, the definitive abolition of child labor and elimination of employment discrimination.

2.3.4.2 Inclusion of the social and environmental issues in the procurement policy

The purchasing function is another source of action towards the sustainable development of the Group. Many entities of the Group incorporate social and environmental concerns in their procurement policy.

Environmental criteria

Below are some examples of environmental criteria used for choosing suppliers and service providers.

The Chinese subsidiary favors product packaging and packing for transportation which are easily biodegradable and recycled.

Ingenico U.K. maintains specific requirements for its suppliers with respect to hazardous materials.

Ingenico Healthcare (previously Xiring) requires its suppliers and sub-contractors to obtain ISO 14001 certification of their environmental management systems.

Social criteria

Including the social aspect as part of the procurement policies of the local entities is demonstrated by using social reinsertion organizations to provide various services, in particular in the U.S., France and the Czech Republic.

In addition, Ingenico strives to control its social impact by way of its procurement policy and to protect its suppliers and sub-contractors from any eventual significant fluctuations of its activity. As a result, the Purchasing Department of the Group ensures that the revenue derived from Ingenico does not constitute more than 30% of the turnover of a supplier or sub-contractor.

2.3.5 FAIR TRADE PRACTICES

Ingenico intends to comply with the rules of integrity in the conduct of its business. Therefore, it has established a Business Code of Ethics and Code of Conduct defining the principles and values which are fundamental standards regulating the conduct of its employees in the following domains:

- Absolute prohibition to practice corruption or bribery in the private or public sector.
- Dealings with political parties.
- Prevention of money-laundering practices.
- Prevention of fraud.
- Prohibition of anti-competitive behavior.
- Prevention of conflicts of interest.
- Confidentiality of information.
- Relationships with shareholders and the financial markets.

2.3.5.1 Actions for the prevention of corruption, money-laundering and fraud

Anti-corruption commitment

- Ingenico prohibits corruption in all its forms. The Code of Ethics sets out a list of behaviors or acts which are strictly forbidden in any of the businesses of the Group.

  This code has been circulated and actions undertaken to prevent corruption in all countries where the Group does business.

  - Awareness and trainings

    Making employees aware of the risks of corruption, setting out clear rules, promoting a consciousness and ability to recognize risky situations are the basics to efficiently fight against corruption.

    To reinforce the effectiveness of such communication to the workforce, some entities of the Group provide their employees with further documentation, such as guidelines containing the rules to follow and the behaviors to adopt to fight against corruption in China and in the U.S. or a Code of Ethics in the Czech Republic and in Germany. These principles have also been incorporated in the internal rules for companies in Turkey, the United Kingdom and France.

  - Audits and controls

    In order to ensure that fair trade practices are adopted by their employees, suppliers, partners and distributors, several entities of the Group perform audits and controls, in particular in Canada, Italy and in the U.S. (Roam Data).

  - Separation of duties

    By judiciously separating duties, it is possible to limit the risks of corruption. Thus, some entities of the Group have put in place some rules to promote separation of duties and/or appointment of surveillance bodies (Australia, Canada, Italy).

Anti-money-laundering commitment

The Code of Ethics and Business Conduct specifies those situations in which Ingenico employees must be most vigilant when some requests could be considered as attempts to launder money from unlawful activities.

Commitment against fraud

Similar precautions are taken with respect to the prevention of fraud. In this respect, the Code of Ethics strongly recommends that employees make use of whistleblowing to point out any suspect behavior or transaction. In addition, Ingenico has mapped out fraud risks in 2012 (cf. section 3.3 of this Registration Document).

2.3.5.2 Measures promoting the health and safety of consumers

In light of its business, the Ingenico Group pays particular attention to compliance with various regulations applicable, especially, to electromagnetic fields and low electrical tension. Ingenico has also taken the initiative to standardize use of thermal paper without Bisphenol A in its terminals.

2.3.5.3 Other actions in favor of human rights

Besides the obligation of strict compliance with fundamental human rights as defined in the International Labour Organisation which are also part of the Business Code of Ethics and Code of Conduct at Ingenico, a large number of the Group's subsidiaries have put in place action plans in favor of human rights.

This has been demonstrated in particular by information distributed to new recruits (China) or adopting internal regulations or charters (Turkey).

3

CORPORATE GOVERNANCE

3.1 Report of the Chairman of the Board of Directors on corporate governance and internal audit and risk management procedures

In accordance with the provisions of Article L. 225-37 of the French Commercial Code, the Chairman of the Board of Directors submits his report for the financial year 2012 on the composition of the Board of Directors and on the application of the principle of equal representation of men and women thereon, the conditions for the preparation and organization of its work and the internal control and risk management procedures implemented in the Company.

This report has been submitted for approval to the Board of Directors and transmitted to the Statutory Auditors.

3.1.1 BOARD OF DIRECTORS: CORPORATE GOVERNANCE POLICY, COMPOSITION, OFFICES

As part of its corporate governance initiatives, the Company put in place a set of measures in accordance with the AFEP-MEDEF reports which were, in particular, the reference source for the Rules of Procedure of the Board of Directors. In the same manner, the Company decided to refer to the Corporate Governance Policy of AFEP-MEDEF listed companies available on the MEDEF website: www.medef.com (the “AFEP-MEDEF Code”) and adopted all the principles recommended by the AFEP-MEDEF Code.

The composition and functioning of the Board of Directors of the Company are determined by applicable laws and regulations, by the Articles of Association of the Company as well as by the Rules of Procedure of the Board of Directors, of which the main clauses are summarized and transcribed below.

Pursuant to Article 12 of the Articles of Association, the Company is managed by a Board of Directors composed of three to thirteen members.

Candidates for appointment as members of the Board of Directors are examined beforehand by the Remuneration, Appointment and Governance Committee.

At December 31, 2012, the Board of Directors was composed of nine directors and one independent advisor:

Name	Age	Position	First appointment/ Last renewal	Term expires at close of meeting called to approve the financial statements for Financial Year	Number of shares held as of the date of this Registration Document
Philippe LAZARE	56	Chairman and CEO and Director*	March 15, 2006/May 3, 2012	2015	366,022
Jean-Pierre COJAN	59	Director	February 25, 2011/May 3, 2012	2013	1,010
Diaa ELYAACOUBI	42	Director	April 28, 2011/May 3, 2012	2015	1,010
Jean-Paul JAINSKY	62	Director	March 14, 2008/May 3, 2012	2013	1,106
Xavier MORENO	64	Director	March 14, 2008/May 3, 2012	2013	2,171
Florence PARLY	49	Director	May 3, 2012	2015	1,010
Thibault POUTREL	35	Director	February 6, 2002/May 5, 2006	2015	727,119
Celeste THOMASSON	46	Director	February 25, 2011/May 3, 2012	2013	1,021
Élie VANNIER	63	Director	March 14, 2008/May 3, 2012	2013	2,174

* *Philippe LAZARE's duties as Chief Executive Officer will cease when the term of his directorship expires.*

Except for Mrs. THOMASSON who is American, all the directors are French.

William NAHUM was appointed as independent advisor by decision of the Board of Directors dated March 15, 2006, for a period of six years. His term of office was renewed by decision of the Board of Directors dated February 23, 2012. As of the date of this Registration Document, William NAHUM held 525 company shares.

Managing Director

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. This choice was made in a constantly changing and particularly competitive environment to ensure more consistency between strategic and operational functions, simplification of the decision-making process thus increasing its efficiency, thereby ensuring compliance with the best management practices.

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 AFEP/MEDEF 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.

According to these criteria and after advice from the Remuneration, Appointment and Governance Committee, the Board considered that, following the appointments decided by the Annual Shareholders Meeting of May 3, 2012, the percentage of independent directors within the Board rose from 30% to almost 45%, or to almost one half of the Board of Directors, excluding Mr. William NAHUM, independent advisor.

Therefore, at December 31, 2012, the Company does not conform on this point with the provisions of its AFEP-MEDEF Code of reference.

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

All things being considered:

- the Remuneration, Appointment and Governance Committee is chaired by Mr. Xavier MORENO, one of the independent directors, and this committee is composed of a majority of independent directors;
- the Chairman of the Audit Committee is Mr. Élie 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. Élie VANNIER held the position of Chief Financial Officer for GrandVision;
- the Strategic Committee has three independent directors or one half of its members.

Representation of men and women on the Board of Directors

The Board of Directors ensures compliance with the principle of equal representation of women and men thereon. At the date of this Registration Document, the composition of the Board is compliant with Law no. 2011-103 of January 27, 2011, and with the AFEP-MEDEF Code with respect to equal representation of women and men on boards of directors and supervisors and with professional equality since it is composed of three women out of the total nine members, being one third of its members.

Independent advisors

The Board can admit one or more independent advisors designated upon proposal by its Chairman, with the task, in light of their specific experience and competency, to enlighten the Board on its choices and orientations. The independent advisor(s) can only participate in the Board deliberations with a consultative vote.

In this respect, the Board examines the quality of the candidates if they have the competencies and expertise required for the work of the Board of Directors.

Appointment of Directors

Directors are appointed or renewed in their functions by the shareholders meeting and can be revoked by it. They can be re-elected at the end of their term of office which is for a period of 4 years.

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.

The average age of the current members of the Board of Directors is 53.

Shares held by the 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 independent advisor 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.

3.1.2 FUNCTIONING OF THE BOARD OF DIRECTORS

3.1.2.1 Administration and management

The composition and functioning of the Board of Directors of the Company are determined by the applicable laws and regulations, by the Articles of Association of the Company as well as by the Rules of Procedure of the Board of Directors, for which the main clauses are summarized and copied below.

Rules of Procedure are defined by Articles 12 and 13 of the Articles of Association

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

Directors are appointed by the shareholders meeting and can be revoked by it. Their term of office is for a period of four years. Exceptionally and in order to space out the renewal of the terms of the directors in stages, the ordinary Annual Shareholders Meeting to be held in 2012 to approve the annual accounts of the financial year of 2011 can proceed with appointments or renewals of terms of offices for periods of 4 or 2 years.

Plurality of directorships and officerships 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 shareholders meeting in order to restore Board membership to the required minimum.

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

Legal entities that are Directors: If a company is on the Board of Directors, as soon as it is appointed, it must designate a physical person as its 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 fulfill their mandate.

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

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

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

The Board of Directors chooses between these alternative arrangements for managing the Company in accordance with the quorum and majority requirements set forth in Article 12. The shareholders and third parties are informed of this choice as provided for by a decree of the French *Conseil d'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 fulfill his or her mandate, the Executive Vice Presidents preserve their functions and attributions, unless otherwise decided by the Board of Directors, until a new Chief Executive Officer is appointed.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Board of Directors may include in its rules of procedure the provision that Directors shall be considered present, for calculating quorum and majority, if they take part in Board meetings via videoconferencing or telecom systems allowing them to be identified and enabling them to participate effectively, the characteristics of which are set forth by a decree of the French *Conseil d'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 fulfill his or her mandate.

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

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

Functioning of the Board of Directors defined by the Rules of Procedure

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, 2012, the Board of Directors convened ten times.

Notices of meetings

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.

The attendance rate of Board members, including members participating via telecommunications, in the financial year ended December 31, 2012 was 89%.

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 independent advisor;
- as of December 31, 2012, 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 and Operations 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 fulfill their mandate, particularly that they have all the necessary information to do so.

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

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

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

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 fulfillment of their mandate.

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

Insofar as it is possible, the Board members are informed no later than eight days prior to the date of the next Board meeting of all points to be discussed at that meeting, and they are supplied, within the same time limit, with any materials they may need to examine and understand the points on the agenda, so that they may properly fulfill their mandate. This obligation to provide adequate, relevant, exhaustive information is the responsibility of the Chairman of the Board and 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 fulfill 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):
   - 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,
   - any financial transaction involving an amount in excess of €100 million,
   - 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,
   - 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:
   - the reappointment, appointment or removal from office of the Chairman of the Board and/or the Chief Executive Officer of Ingenico,
   - 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,
   - 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 minute 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.

3.1.2.2 Mandate of the Board of Directors

Within 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.

3.1.2.3 Activity of the Board of Directors during the year ended December 31, 2012

In addition to reviewing the special-focus work prepared by the committees, during its meetings of the year ended December 31, 2012, the Board of Directors also examined:

- the approval of the parent company and consolidated financial statements for the year ended December 31, 2011, 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 May 3, 2012, 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 consolidated accounts as of June 30, 2012, and the quarterly revenues;
- the renewal of Philippe LAZARE as Chairman and CEO;
- the approval of the annual budget;
- the adoption of management planning documents;
- the follow-up of the stock subscription options plans and performance share awards, as well as establishment of performance share awards for 2012;
- 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 study of various strategic investment or divestiture projects;
- the merger-absorption of Xiring SA.

Lastly, the Board approved the implementation of a share buyback program, thus making use of the powers granted to it by the shareholders at their meeting of May 3, 2012.

3.1.2.4 Board of Directors' Special Focus Committees

The Board of Directors has set up three special focus committees – the Strategic Committee, the Audit and Finance Committee and the Remuneration, Appointment and Governance Committee - 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.

The committees may also include one or more 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 composition, the missions as well as the activity of the special focus committees during 2012 are described below:

Strategic Committee

At December 31, 2012, the committee members were Jean-Paul JAINSKY (Chairman), Jean-Pierre COJAN, Diaa ELYAACOUBI, Xavier MORENO, Thibault POUTREL and Élie VANNIER.

The Strategic Committee's task is, in particular, as follows:

- 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 for acquisition of a stake in the Company, particularly through merger and acquisition transactions.

To fulfill this mandate, the Strategic 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 Strategic Committee convened five times during the year ended December 31, 2012 and examined, in particular, the acquisition projects regarding the assets of Arcom (Russia), Ogone in Belgium and the payment solutions business of PT Integra in Indonesia.

The attendance rate of committee members during the financial year ended December 31, 2012 was 94%.

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 Rules of Procedure of the Board of Directors 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, 2012, the committee members were Élie VANNIER (Chairman), Jean-Paul JAINSKY, Thibault POUTREL and William NAHUM.

The Chairman, Élie VANNIER, is an independent Director. His experience and expertise, especially in finance, are described above.

The other committee members also have financial and accounting competencies, gained in particular through their work experience.

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 2011 and the financial statements for the first half of 2012, the committee examined the budget, the internal audit assessment and program for the coming year, the procedure for selecting a statutory auditor whose appointment is proposed at the Annual Shareholders Meeting on April 29, 2013, 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 financial year ended December 31, 2012.

The attendance rate of committee members during the financial year ended December 31, 2012 was 79%.

Remuneration, Appointment and Governance Committee

At its meeting of May 3, 2012, the Board of Directors decided to merge the Appointment and Remuneration Committee with the Governance and Ethics Committee, and the committee is now named the Remuneration, Appointment and Governance Committee. At December 31, 2012, the committee members were Xavier MORENO (Chairman), Jean-Pierre COJAN, Diaa ELYAACOUBI, Florence PARLY, Celeste THOMASSON and William NAHUM.

The Remuneration, Appointment and Governance Committee makes recommendations to the Board of Directors on compensation of executive officers as well as on performance share awards and stock options granted to Group employees and executive officers, and on employee shareholding policy in general. It also makes recommendations on the composition of the Board of Directors and its committees, prepares the annual evaluation of the Board and its committees and deliberates on all questions related to corporate governance and ethics within the Group.

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

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 committee reports periodically to the Board of Directors on its work, analyses and recommendations, which the Board has the final decision to follow up.

The Remuneration, Appointment and Governance Committee (including the meetings of the Appointment and Remuneration Committee and the Governance and Ethics Committee, prior to their merger on May 3, 2012) met seven times during the financial year ended December 31, 2012.

Attendance of committee members at meetings held during the financial year ended December 31, 2012 was 89%.

In particular, it examined the following issues:

- conditions for the exercise of the office of CEO;
- granting of bonus share awards;
- allocation of directors' attendance fees for 2011;
- composition of the Board of Directors (independence, candidates, etc.);
- the process of evaluating the work of the Board of Directors during 2012 on the basis of a questionnaire and the results of which were presented to the Board on February 27, 2013. The Board took note of certain suggestions for improvement, in particular relating to the number of independent directors pointing out the improvement in 2012, found that the directors were on the whole pleased with the Board functioning and the quality of the information provided.

3.1.3 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.

3.1.3.1 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.

3.1.3.2 Scope of internal control

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

3.1.3.3 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 continue each year. In 2012, the internal control manual used as a self-assessment basis was completely reviewed and enhanced. In order to increase the standardization of the rules and procedures, the internal control manual, established for all the subsidiaries of the Group, includes 18 processes identified in a detailed list of objectives of control, priority controls and procedures (460 descriptions of control, objectives and procedures are identified). This manual has also been harmonized with the risk mapping of the Group. The rules and procedures of this manual are updated and enhanced on a regular basis. The update done in 2012 focused particularly on the process of transactions Services, Terminal Estate Management and CSR. The self-assessment updating process continued in 2012, and the internal audit plan for 2013 incorporates the year's findings on 80 items of priority control.

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 1 of this Registration Document.

Ingenico's approach to risk control is based on assessing risks using mapping techniques and developing plans of action to manage the risks. Risk analysis and prevention methodology is the responsibility of the Internal Audit Department. The Ingenico Group regularly maps its risks. In 2009, the risk map revealed some ten or so risks pertaining to strategy, sales activity, operations, human resources and finance. For each risk, the likelihood of occurrence, the potential impact and the effectiveness of existing control measures were assessed. Action plans to reduce Ingenico's exposure to the risks identified as the most significant were set, with implementation to be staggered over 2010 and 2011. These plans are managed by the people who "own" the specific risks and are responsible for the relevant risk control and reduction plans.

In 2012, the Group set up a risk mapping dedicated to fraud to identify the players and the tools so the Group can be prepared for the risks of internal and external fraud. The method of analysis and prevention of risks related to fraud fall within the responsibility of the Internal Audit Department.

To enable it to monitor risks and the risk management process, the audit and finance 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 updating of the 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. This manual was also aligned with the Group's risk map and the risk map of fraud. The rules and procedures comprised in this manual have been updated and upgraded on a regular basis.

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 and three business lines. 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 periodic reviews, regional/country directors meet with the executive committee to analyze performance and operational issues requiring attention as well as the forecasts.

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, the results of the control environment self-assessment process and of newly-acquired consolidated entities which are audited between 2 and 8 months. 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 2012 did not reveal any significant internal control weaknesses or deficiencies.

3.1.3.4 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 restated;
- a Finance 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 Finance Reporting format, the primary tool for analyzing the operational performance of entities, is being redone. This should enable a better analysis of the performance for each product or service line and for operating expenses and in this way prepare Ingenico for 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.

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.

3.1.4 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 Remuneration, Appointment and Governance 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 preferential subscription 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 preferential subscription rights for existing shareholders.

3.1.5 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 Chapter 8 of this Registration Document.

3.1.6 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 Remuneration, Appointment and Governance 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.

3.1.7 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.

3.2 Positions and duties of the Board members as of December 31, 2012

The professional address of the directors is that 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 2012

President

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

Representative of Ingenico SA, President

- **Ingenico Venture SAS**, since May 6, 2009
- **Mobile Payments Solutions NV** since June 13, 2012

Board member and Chairman

- **Ingenico Iberia SL:** Director since July 18, 2007 and Chairman since Sept. 25, 2007
- **Ingenico Ödeme Sistem Çözumleri A.S.** since July 17, 2007
- **Ingenico Inc.** since July 17, 2007
- **Ingenico Electronic Equipments (Bejing) Co, Ltd** since Sept. 30, 2007
- **Fujian Landi Commercial Equipments Co, Ltd (Chine) Co, Ltd** since June 25, 2008

Director

- **Ingenico UK Ltd.** since July 17, 2007
- **Nanjing ZTE Ingenico Network Technology Co., Ltd (Chine)** since October 31, 2012

OUTSIDE THE INGENICO GROUP IN 2012

Main position
None

Other current positions and duties
None

FORMER POSITIONS HELD IN THE PAST FIVE YEARS

Representative of Ingenico SA on the Strategic Committee of Natural Security SAS (ex- P1G SAS), since July 10, 2009

Managing Director

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

President

- **Ingenico France SAS** until Sept. 30, 2010
- **Ingenico Transactions Services SAS** until June 30, 2011

Director

- **Ingenico Japan KK** until June 15, 2009
- **Ingenico Investment Luxembourg S.A.** until June 14,
- **Europa Communications Pty. Ltd.** until December 14, 2010
- **EPOS Italia SpA,** until June 30, 2011
- **Fixed & Mobile Pte. Ltd.,** until Sept. 10, 2011
- **Ingenico International (Pacific) Pty Ltd** until June 7, 2012
- **Ingenico International (Singapore) Pte Ltd** until June 19, 2012
- **Ingenico International India Pvt Ltd** until December 8, 2012

Board member and CEO

- **Ingenico Software Services Philippines Inc.** until October 30, 2010
- **Ingenico Italia SpA** until April 27, 2012
- **Ingenico (Latin America) Inc.** until July 10, 2012
- **Ingenico Corp.** until Oct. 4, 2012
- **Ingenico Canada Ltd.** until Oct. 4, 2012

Director and Chairman

- **Ingenico Investment Luxembourg SA** until June 13, 2010
- **Ingenico Barcelona SA** until July 1, 2011
- **Ingenico Electronic Equipments (Beijing) Co. Ltd.** until Nov. 30, 2009
- **Ingenico Mexico SA de CV** until June 11, 2012
- **Ingenico Elektronik Sanayi Dis Ticaret A.S.** until Nov. 30, 2012
- **Ingenico Services Iberia S.A.** until Oct. 1, 2012

Representative of Ingenico SA, President:

- **Moneyline Ventures S.A.** until Oct. 15, 2008
- **Ingenico France SAS** until Sept. 30, 2010
- **Ingenico Transactions Services SAS** until June 30, 2011
- **Ingenico Data Systems – Sofracin SAS** until June 30, 2011

Representative of Ingenico SA, sole director:

- **Ingenico Eastern Europe Sarl** until Dec. 6, 2012

Jean-Pierre COJAN

Director

Strategic Committee Member

Remuneration, Appointment and Governance 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 2012

None

OUTSIDE THE INGENICO GROUP IN 2012

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 Director

Strategic Committee Member

Remuneration, Appointment and Governance Committee Member

EXPERIENCE AND EXPERTISE

From February 2012 to date: President of «100 jours pour Entreprendre»

A social movement to encourage young people to undertake projects and to assist them during their projects. This movement federates the principal employer and entrepreneurial associations (Croissance plus, Réseau et Entreprendre, CJD, Mooveje, CGPME…) and declares itself as a civic action group to promote the spirit and the world of enterprise (www.100jourspourchanger.org)

From November 2003 to December 2012

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, became a subsidiary of Vivendi Universal.

OTHER POSITIONS AND DUTIES

WITH THE INGENICO GROUP IN 2012

None

OUTSIDE THE INGENICO GROUP IN 2012

Main positions

- Founder and Chief Executive Officer of **Streamcore System**
- Founder and President of the **Association Patronale Esprits d'Entreprises**
- President of Holding **ODYSEE**

Other current positions and duties

- Manager of **SCI Delya 2**
- Manager of **SCI Delya 3**
- Manager of **SCI Immobilière 1**
- Manager of **SCI Kat Mandou**

FORMER POSITIONS HELD IN THE PAST FIVE YEARS

None

Jean-Paul JAINSKY

Director

Strategic Committee Chairman

Audit and Finance 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 2012

None

OUTSIDE THE INGENICO GROUP IN 2012

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

- **Confidence SA** (France, Safran group)

Permanent representative of Morpho on the Board

- **Morpho Maroc Groupe Safran (ex Sagem Sécurité Maroc)**

Chairman

- **Morpho Australasia Pty. Ltd.** (Australia, Safran group)
- **MorphoTrak, Inc.** (USA, Safran group)

Director

- **Morpho Detection, Inc.** (USA, Safran group)
- **Morpho Detection International, Inc.** (USA, Safran group) depuis le 29 février 2012
- **Smart Chip Ltd.** (India, Safran group)
- **Syscom Corporation Ltd.** (India, Safran group)
- **EIMASS – Electronic Identity Management & Security Solutions LLC** (United Arab Emirates, Safran group)

Supervisory Board Chairman

- **Morpho Cards GmbH** (ex- Sagem Orga GmbH, Allemagne, Safran group)

Supervisory Director

- **Morpho B.V.** (Pays-Bas, Safran group)

FORMER POSITIONS HELD IN THE PAST FIVE YEARS

President

- **Sagem Monetel SAS** (France, group Safran) until March 14, 2008
- **Sagem Xelios SAS** (France, group Safran) until Dec. 17 , 2010

Chairman

- **Morpho Security System (Shanghai) Co. Ltd.** (ex- Sagem Security International Trading (Shanghai) Co. Ltd., China, group Safran) until Dec. 25, 2010
- **Sagem Denmark A/S** (Danemark, group Safran) until March 14, 2008

Board member

- **Sagem Telecommunications SA** (France, group Safran) until Aug. 27, 2012

Representative of Sagem Défense Sécurité then Morpho (ex-Sagem Sécurité) on the Board of Directors

- **Assiaqa Card** (Morocco, Safran shareholding) until January 14, 2010
- **Civi.Pol Conseil SA** (France, Safran shareholding) until Feb. 1, 2008

Director

- **Morpho Security System (Shanghai) Co. Ltd.** (ex- Sagem Secutiry International Trading (Shanghai) Co. Ltd., China, group Safran) until March 8, 2011.
- **Sagem Security South Africa Pty. Ltd.** (South Africa, Safran group) until Jan. 14, 2008

Xavier MORENO

Independent Director

Remuneration, Appointment and Governance Committee Chairman

Strategic 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 2012

None

OUTSIDE THE INGENICO GROUP IN 2012

Main position

President
- **Astorg Partners SAS**

Other current positions and duties

Chairman of the Supervisory Board
- **Honorine SAS** (Staci group)

Membere of the Supervisory Board
- **GS & Cie Groupe SA** (Gras Savoye group)

Member of the Executive Committee
- **Financière Ofic SAS** (Onduline group)

Board member
- **Ethypharm SA**
- **Financière Verdi SAS** (Ethypharm group)
- **Onduline SA**

Representative of Astorg Partners SAS, Président
- **Astorg Team III SAS SCR**

President
- **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 8 April 2009

President
- **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

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

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

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

Florence PARLY

Independent director

Remuneration, Appointment and Governance Committee Member

EXPERIENCE AND EXPERTISE

Florence PARLY is a graduate of the Institut d'Études Politiques of Paris in 1984 – Ena in 1987 (Promotion Fernand Braudel) – Institut des hautes études de l'entreprise attendance in 2005.

2006-2008 **Air France,** Director of Investment Strategy of the Finance Dept.
2004-2006 **ARD (Agence Régionale de Développement) of Ile-de-France,** Chairwoman of the Management Board
2003-2004 Ministry of Economy, Finance and Industry, **French Treasury branch**, Chargée de mission with respect to relative off-balance sheet commitments of the Financial Statements
2000-2002 **Secretary of State for the Budget**
Member of the European Ministerial Committee in charge of fighting against damaging fiscal practices called the "Committee of Good Conduct"
July/Dec 2000 Chairwoman of the Ministerial Board for the Budget of Member States of the European Union
1997-2000 **Cabinet of the Prime Minister** Lionel Jospin, Advisor for Budgetary Affairs

Budget Management:
1993-1997 Head of the Office for social protection and social security (1993-94), for the equipment, housing, city and territorial reorganization (1994-95), of culture and the audiovisual (1995-97)
May 1997 Mission in China for the World Bank as part of the "Review of public finance" program

Ministerial Cabinets:
1991-1993 **Cabinet of Paul Quilès** (Minister of Public Works Housing, Transport and Territorial Development), Technical advisor
1991 **Cabinet of Michel Durafour** (Minister of State, Minister of the Public Function and Administrative Reform), Technical advisor
1987-1991 Civil administrator at the Budget Department

OTHER POSITIONS AND DUTIES

WITH THE INGENICO GROUP IN 2012

None

OUTSIDE THE INGENICO GROUP IN 2012

Main position

Deputy Managing Director of Air France
Director of Traffic Activty Orly and French Stops
Member of the Executive Committee of Air France

Other current positions and duties

Representative of Air France on the Board of Directors
- **Fram**

Board member
- **Servair**
- **Altran**

Chairwoman of the Board of Directors
- **MCH (Mexico Cargo Handling)**

Representative of Air France KLM on the Board of Directors
- **Air France**

Member of the Strategic Council
- **Ernst & Young**

Chairwoman of the Board of Directors
- **Sodexi** (until January 2013)

FORMER POSITIONS HELD IN THE PAST FIVE YEARS

Member of the Supervisory Board
- **Traxon** until November 2011

Thibault POUTREL

Director

Audit and Finance Committee member

Strategic 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 2012

None

OUTSIDE THE INGENICO GROUP IN 2012

Main position

President
- Beaubourg Capital SAS

Other current positions and duties

Board member
- Social Mix Media S.A.

Manager
- SCI DU 44 Rue de Meaux
- Diamond Minds Investment SARL
- Access Consulting SARL

Supervisory Board or Steering Committee member of Cryptolog SAS (Representative of Beaubourg Capital SAS)
- Witchbird SAS
- Lokad SAS
- Patientsworld SAS

FORMER POSITIONS HELD IN THE PAST FIVE YEARS

None

Celeste THOMASSON

Director

Remuneration, Appointment and Governance Committee Member

EXPERIENCE AND EXPERTISE

Ms. Celeste THOMASSON, a U.S. citizen, holds a Juris Doctor Degree from the Southwestern University School of Law of Los Angeles, California, 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 returned to the United States in July 2008 to take the position of Senior Vice-President and General Counsel of Safran, USA. She was appointed General Counsel of the Safran group on July 1, 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 2012

None

OUTSIDE THE INGENICO GROUP IN 2012

Main position

General Counsel of the **Safran group**

Other current positions and duties

Board member

- **Soreval** (groupe Safran), since May 2012
- **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

Representative of Société Établissement Vallaroche (since Jan 2011) **on the Board of Directors of**

- **Lexvall 22 (Safran group),** since January 2011

FORMER POSITIONS HELD IN THE PAST FIVE YEARS

President & Secretary of Messier-Dowty (USA), Inc. (USA), until July 2010

Senior Vice President de Safran USA, Inc. (USA), until July 2010

Director

Labinal de Mexico, SA de CV (Mexico), until Sept. 2010

Labinal de Chihuahua, SA de CV (Mexico), until Sept. 2010

Labinal Investments, Inc. (USA), until July 2010

Labinal, Inc. (USA), until July 2010

SMA Engines, Inc. (USA), until July 2010

Chairwoman and CEO until January 2013

- **Lexvall 2** (Safran group)
- **Lexvall 13** (Safran group)

Representative of Société Établissement Vallaroche (until June 2012) on the Board of Directors of

- **Safran Sixty,** (Safran group),
- **Lexvall 22, Lexvall 23, Lexvall 24** and **Lexvall 25** (Safran group)

Élie VANNIER

Independent director

Audit and Finance Committee Chairman

Strategic Committee Member

EXPERIENCE AND EXPERTISE

Élie 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 2012

None

OUTSIDE THE INGENICO GROUP IN 2012

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)
- **Fondation Fondamental** (Switzerland)
- **New Cities Foundation** (Switzerland)

FORMER POSITIONS HELD IN THE PAST FIVE YEARS

Sole Director of

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

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

As of the date of this Registration Document, there are no family relationships between any of the members of the Board of Directors.

Declaration of non-condemnation or sanctions from 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.

William NAHUM

Independent advisor.

Member of the Audit and Finance Committee.

Member of the Remuneration, Appointment and Governance Committee.

EXPERIENCE AND EXPERTISE

Certified Accountant, Statutory Auditor, Legal Expert to the Court of Appeal of Paris, certified by the Supreme Court, William NAHUM led a parallel professional and institutional career that led to him holding 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 on 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 Housing in South America and Europe and the Latin "FCM" which brings together 16 Mediterranean countries.
Various functions (as volunteer) assigned: to the Accounting Standards Authority ("Autorité des Normes Comptables") as well as to Standards Committee of Public Accounts ("Comité des Normes de la Comptabilité Publique") or as Expert for, the Agency of State Participation ("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.

3.3 Compensation and benefits

3.3.1 COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

General policy

According to the Rules of Procedure of the Board of Directors, the Remuneration, Appointment and Governance Committee submits recommendations or proposals on the remuneration of executive officers.

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

The Board of Directors determines the fixed compensation of Philippe LAZARE on the basis of the recommendation made by the Remuneration, Appointment and Governance Committee in consideration of the compensations paid by a panel of companies comparable to Ingenico.

This remuneration is comprised of the following elements:

- a fixed annual compensation;
- a variable compensation for the 2012 financial year based on completion of specific quantifiable and qualitative objectives. The quantitative objectives are linked to the financial performance of the Company, such as turnover evolution, EBITDA, available cash flow, and represent a slightly larger portion than the qualitative objectives which mostly relate to implementation of the Group strategy.

In addition, Philippe LAZARE shall be remunerated for the exercise of his functions as Chairman of the Board and Chief Executive Officer as follows:

- company car;
- unemployment insurance for loss of mandate; and
- contractual indemnification in the event of involuntary departure.

  In accordance with Article L. 225-42-1 of the French Commercial Code, the Annual Shareholders Meeting of May 3, 2012 approved the indemnification agreement, authorized by the Board of Directors, regarding the indemnity due to Philippe LAZARE in the event of early termination decided by the shareholders of the Company, except for reasons of serious fault, such indemnity to be calculated based on his performance of the conditions set forth below.

  Should Philippe LAZARE's appointment be revoked for any other reason than serious fault, the following conditions shall apply:

  - Philippe LAZARE shall receive one year of salary based on his gross annual compensation for his function as Chief Executive Officer of Ingenico;
  - The right to performance share awards 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 this Registration Document.

There is no employment agreement between Philippe LAZARE and any of the Group companies. He does not receive director's attendance fees as director and Chairman of the Board of Directors of the Company. As officer of the Company, he does not benefit from the savings plan set up for employees of the Group or from any indemnity issuing from a non-competition clause.

PHILIPPE LAZARE – CHAIRMAN AND CHIEF EXECUTIVE OFFICER

	2012 (Gross amount in euros)		2011 (Gross amount in euros)	
	Amounts accrued during the year	Amounts paid during the year	Amounts accrued during the year	Amounts paid during the year
Fixed compensation	600,000	600,000	500,000	500,000
Variable compensation(1)	700,000	600,000	600,000	575,520
Exceptional compensation	300,000 (3)	None	None	350 000 (2)
Director's attendance fees	None	None	None	None
TOTAL	**1,600,000**	**1,200,000**	**1,100,000**	**1,425,520**
Benefits in kind – Car		3,158.15		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 (detail below)		645,401		None

(1) The variable compensation accrued during a year is paid on the following year.
(2) Exceptional compensation granted by the Board of Directors on February 25, 2011.
(3) Exceptional compensation granted by the Board of Directors on February 27, 2013.

Compensation paid in 2012

The Board of Directors resolve on February 25, 2012 that:

- Philippe LAZARE would receive the amount of €600,000 as variable compensation for 2011, on the basis of performance criteria set by the Board of Directors on April 28, 2011. These criteria are comprised of: 70% of the gross annual compensation (up to a maximum of 150% of this amount) and 30% depending on qualitative assessment;
- Philippe LAZARE's fixed annual compensation for 2012 was set at €600,000.

Variable compensation paid in 2013 on results of 2012

The Board of Directors decided that Philippe LAZARE's variable compensation for 2012 shall continue to be based on the performance of the Group for 70% of the gross annual compensation (up to a maximum of 150% of this amount if certain results are achieved) and the remaining 30% of such compensation based on qualitative assessment.

Based on the criteria mentioned above, the Board of Directors resolved on February 27, 2013 that Philippe LAZARE would receive €700,000 as variable compensation for 2012 and decided to pay him an exceptional compensation of €300,000 in recognition of the Group's performance in 2012.

In addition, the Board of Directors set Philippe LAZARE's fixed annual compensation for 2013 at €650,000.

3.3.1.2 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 Chief Executive Officer 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 3, 2012 and renewed as Chairman and Chief Executive Director by a resolution of the Board of Directors on the same day. This indemnification agreement is described in Section 3.3.1.1 above.*

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

The Annual Shareholders Meeting of April 28, 2011 determined a total maximum annual budget of €500,000 for directors' attendance fees for 2011.

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

The total amount of directors' attendance fees and compensation for the independent advisor amounted to €500,000 for 2012 (versus €499,992 for 2011) paid out as follows (amounts in euros):

Non-executive directors in 2012	Gross Amounts (in euros) accrued in 2012 paid in 2013	Gross Amounts (in euros) accrued in 2011 and paid in 2012
Guillaume CERUTTI Director until May 3, 2012	18,204	40,836
Jean-Pierre COJAN Director	33,981	22,908
Diaa ELYAACOUBI Director	50,971	25,896
Alex FAIN Director until May 3, 2012	12,136	19,920
Allan GREEN Director until May 3, 2012	15,777	37,848
Jean-Paul JAINSKY Director	54,612	37,848
Michel MALHOUITRE Director until May 3, 2012	15,777	34,860
Xavier MORENO Director	72,815	57,768
William NAHUM Independent advisor	31,553	32,868
Florence PARLY Director since May 3, 2012	16,990	-
Jean-Jacques POUTREL Director until March 21, 2012	10,922	33,864
Thibault POUTREL Director	43,689	34,860
Celeste THOMASSON Director	36,408	22,908
Élie VANNIER Director	86,165	71,712

Except for Philippe LAZARE, the only executive director for whom information is provided hereabove, no other member of the Board of Directors received any additional compensation or other benefits in kind during 2012.

No compensation, other than the ones mentioned above, was paid to executive directors of the Company by other Group companies during 2012.

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

None.

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

None.

3.3.2 SHAREHOLDINGS OF DIRECTORS AND EXECUTIVE OFFICERS IN INGENICO

Ingenico practices periodic grants of stock options and allotments of performance shares to executives and to top and middle management. Shares are allotted according to specific performance, either due to operational results obtained or commitment made by the beneficiary. Conditions for share grants are decided by the Board of Directors upon recommendation from the Remuneration, Appointment and Governance Committee at the same time each year, after publication of the annual report, in accordance with the recommendations of the AFEP-MEDEF Code.

3.3.2.1 Performance shares

Based upon the authorization granted by the Annual Shareholders Meeting of May 11, 2010, the Board of Directors decided, upon recommendation by the Remuneration, Appointment and Governance Committee, to establish free share award programs based on performance and, if any, investment. Consequently, since 2010, Ingenico has implemented this decision by developing the corresponding schemes to encourage involvement of the employees in the Group's overall performance, in particular, with respect to the fidelity programs aimed at management teams of newly-acquired companies.

The programs initiated by Ingenico include many similar bases. Shares granted for free are only acquired at the end of a minimum vesting period of two years. At the end of this vesting period, subject to conditions determined by the relevant scheme, such as performance, continued employment within the Group or, if applicable, investment, these shares are vested and fully-owned by the beneficiaries provided they are held by the beneficiaries for an additional two-year mandatory holding period following vesting.

Subsequent to the 2010 initiative, the Board of Directors, upon the recommendation of the Remuneration, Appointment and Governance Committee, determined the conditions for two joint investment plans in 2012.

- The first joint investment plan 2012-1 benefits the executive officers of the Group. For each share in the Company purchased by the executive, eight free shares are granted, subject to the continued presence within the Group and level of performance linked to the (i) Ingenico listed share price versus the SBF 120 French stock market index and (ii) Group's EBITDA for each share investment.
- The second joint investment plan 2012-2 is for the executives or key management by which shares are granted in relation to their performance level, subject to continued employment within the Group and the progression in the Group's EBITDA.

As a result in 2012, the Board of Directors granted a total of 465,384 performance shares based on the two joint investment plans above relating to nearly 130 beneficiaries.

PERFORMANCE SHARES GRANTED TO DIRECTORS AND EXECUTIVE OFFICERS FOR THE FINANCIAL YEAR 2012

	Plan ref. no. and date	Number of shares granted during the year	Theoretical share value according to the method applied in the consolidated accounts *(in euros)*	Date granted	Date available	Performance conditions
Philippe LAZARE	Plan 2012-1 of 22/06/2012	17,448	645,401	22/06/2014	22/06/2016	See below

PERFORMANCE SHARES VESTED OR AVAILABLE IN 2012 PER DIRECTOR OR EXECUTIVE OFFICER

	Plan ref. no. and date	Number of sharesvested	Plan ref. no. and date	Number of shares vested	Final grant conditions
Philippe LAZARE	23/01/2008	105,000 *	11/05/2010	49,112	See below

** Including free shares allocated as part of the share capital increase by capitalization of the share premium of July 30, 2010.*

The share grant to Philippe LAZARE for 2010 was based on the authorization of the shareholders meeting of March 14, 2008, as part of a joint investment plan combining an investment made by certain employees and directors and executive officers of the Ingenico Group and seven (7) free performance shares granted for each share purchased, subject to the final grant conditions set out below:

- continued presence within the Group and
- performance conditions linked both to the EBITDA and to the listed share price versus the SBF 120 index whose achievement was reported by the Board of Directors on May 3, 2012.

Mandatory holding period

Pursuant to Article L.225-197-1, II, paragraph 4, of the French Commercial Code, in relation to performance shares allotted for free 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 performance shares to Philippe LAZARE, the Board of Directors resolved, pursuant to the aforementioned provision, 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.

PERFORMANCE SHARES GRANTED TO THE TOP TEN NON-DIRECTOR EMPLOYEES FOR 2012

2012-1 Plan	174,480
2012-2 Plan	15,000

3.3.2.2 Stock options

Extraordinary Shareholders Meeting of May 4, 2000	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 20, 2004	June 10, 2004	July 8, 2004
Total number of shares available for subscription[(1)]	151,500	110,000	30,000
Total number of shares available for subscription by:			
Gérard COMPAIN	-	50,000	-
Jean-Marie DESCARPENTRIES	-	-	-
Yves SABOURET	-	50,000	-
Start date for exercising options	April 20, 2007	June 10, 2007	July 8, 2007
Expiration date	April 20, 2012	June 10, 2012	July 8, 2012
Subscription price[(2)]	€10.36	€11.04	€13.93
Number of shares subscribed at December 31, 2012[(3)]	93,564	100,456	-
Including those shares subscribed in 2012 by the top ten non-director employees holding the highest number of subscribed shares	*1,056*	*-*	*-*
Aggregate number of subscription options cancelled or expired at December 31, 2012[(3)]	58,290	10,000	30,000
Outstanding share subscription options at December 31, 2012[(3)]	-	-	-

(1) Number of options originally allocated excluding subsequent adjustments.
(2) Subscription price after adjustments in 2007 (following the payment of the 2006 dividend in free shares), 2010 (following the share capital by capitalization of retained earnings) and 2012 (distribution of retained earnings).
(3) Including options created as part of the adjustment in June 2007 following the payment of the 2006 dividend in free shares.

Extraordinary Shareholders Meeting of October 18, 2004	Plan F	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[(1)]	209,500	425,000
Total number of shares available for subscription by:		
Amedeo d'ANGELO	-	150,000
David ZNATY	-	100,000
Start date for exercising options	December 14, 2007	October 19, 2008
Expiration date	December 14, 2012	October 19, 2013
Subscription price[(2)]	€11.03	€10.97
Conditions for exercising options (when the plan involves multiple tranches)	-	-
Number of shares subscribed at December 31, 2012[(3)]	88,296	337,542
Including those shares subscribed in 2012 by the top ten non-director employees holding the highest number of subscribed shares	*4,235*	*3,000*
Aggregate number of subscription options cancelled or expired at December 31, 2012[(3)]	123,384	80,352
Outstanding share subscription options at December 31, 2012[(3)]	-	16,684

(1) Number of options originally allocated excluding subsequent adjustments.
(2) Subscription price after adjustments in 2007 (following the payment of the 2006 dividend in free shares), 2010 (following the share capital by capitalization of retained earnings) and 2012 (distribution of retained earnings).
(3) Including options created as part of the adjustment in June 2007 following the payment of the 2006 dividend in free shares.

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

None.

For more information on share subscription or performance share grant programs, refer to Note 28 of the Annex to the Consolidated Financial Statements as of December 31, 2012, in Chapter 5 of this Registration Document.

3.3.2.3 Incentive programs and employee profit-sharing

In addition to the employee profit-sharing scheme which is required under French law, Ingenico SA has set up an optional incentive program so that all employees can participate in the Group's success and in achieving its objectives of advancement and growth.

Calculation of incentive program rewards is based on the percentage of attainment or overachievement of the Group's financial objectives in terms of turnover and annual results.

The incentive agreement applicable to Ingenico SA was renegotiated with the employee representative bodies and signed on June 28, 2012 covering the financial years 2012, 2013 and 2014.

In addition, in accordance with the provisions of Amending Finance Law no. 2011-894 of July 28, 2011 with respect to social security, management and the employees' organizations met to negotiate an agreement on the payment of a bonus to employees based on the Company's dividend distributions. As the parties were not able to reach an agreement, it was unilaterally decided to pay a bonus in the gross amount of 300 euros to all employees on the basis of the aforementioned Law.

3.3.2.4 Employee Savings Plan – Employee share offers

A company savings plan offers the employees of the subscribing entities to make voluntary deposits or allocate the amounts from the incentive programs or profit-sharing scheme.

Ingenico matches up to a maximum amount of 2,000 euros per year the amount which the employees deposit in the employee savings plan based on the incentive reward and voluntary payments.

The investment structures available are the Ingenico France collective employee shareholding fund (FCPE) entirely invested in the Company's shares issued at the time of the 2010 capital increase reserved for employees, and a range of multi-company FCPE funds offering the choice of investment in different asset classes (equities, bonds, money market) and thus allowing employees to diversify their savings.

At December 31, 2012, the employees of the Group, within the meaning of 'group' as defined by Article L. 225-102 of the French Commercial Code, hold 0.25 % of the share capital of Ingenico S.A.

3.3.2.5 Collective Pensions Saving Scheme

An agreement for the Collective Pensions Saving Scheme (PERCO) for the Group was concluded on July 20, 2012, for employees to save for their retirement.

Employees can also choose to make voluntary payments or apply all or part of their incentive rewards to the scheme with payments matched by the employer up 500 euros per year per employee.

3.3.2.6 Trading restrictions

The Board of Directors established Rules of Procedure and a Code of Stock Market Compliance relating to trading in Company shares and to the prevention of insider trading misconduct. These rules incorporate *inter alia* rules of corporate governance upheld by the Board, and in particular, 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 French stock market authority (*Autorité des marchés financiers* - AMF) General Regulations.

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, its subsidiary or an affiliated entity, the Board members must refrain from using this privileged information by purchasing or selling or attempt to purchase or sell, 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.

To prevent such insider trading, at the end of each fiscal year, the Board members are provided with a timetable for the following year that includes trading blackout periods and reflects the financial information publication dates for the Company.

3.3.2.7 Share transactions of the directors and executive officers of Ingenico

Pursuant to Article 223-26 of the AMF's General Regulations, the following chart features the operations declared by the individuals mentioned in Article L.621-18-2 of the French Monetary Financial Code during 2012:

Declaring director or executive officer	No and date of the AMF decision/ notice	Financial instrument	Type of transaction	Transaction date	Date of receipt of declaration	Place of transaction	Unit price *(in euros)*	Transaction amount *(in euros)*
Thibault POUTREL	No. 212D0746 1 March 2012	Shares	Sale	24 Feb. 2012	27 Feb. 2012	Euronext Paris	34.36	859,000
Thibault POUTREL	No. 212D0747 1 March 2012	Shares	Sale	27 Feb. 2012	27 Feb. 2012	Euronext Paris	35.28	264,600
Philippe LAZARE	No. 212D818 6 March 2012	Shares	Sale	24 Feb. 2012	2 March 2012	Euronext Paris	34.7349	549,575.59
Jean-Jacques POUTREL	No. 212D0773 6 March 2012	Shares	Sale	24 Feb. 2012	28 Feb. 2012	Euronext Paris	35.58	355,800
Jean-Jacques POUTREL	No. 212D0772 6 March 2012	Shares	Sale	24 Feb. 2012	28 Feb. 2012	Euronext Paris	34.78	1,043,400
Thibault POUTREL	No. 212D0934 13 March 2012	Shares	Sale	7 March 2012	9 March 2012	Euronext Paris	35.9656	359,656
Patrice LE MARRE	No. 212D0986	Shares	Sale	8 March 2012	12 March 2012	Euronext Paris	36.4663	893,424.35
Patrice LE MARRE	No. 212D1107 20 March 2012	Shares	Sale	16 March 2012	19 March 2012	Euronext Paris	37.4033	249,330
Jean-Jacques POUTREL	No. 212D1074 20 March 2012	Shares	Sale	12 March 2012	17 March 2012	Euronext Paris	37.75	350,517
Jean-Jacques POUTREL	No. 212D1073 20 March 2012	Shares	Sale	13 March 2012	17 March 2012	Euronext Paris	37.77	568,729
Philippe LAZARE	No. 212D1058 20 March 2012	Shares	Sale	9 March 2012	16 March 2012	Euronext Paris	36.8460	1,768,608
Philippe LAZARE	No. 212D1057	Shares	Sale	12 March 2012	16 March 2012	Euronext Paris	37.2293	446 751.60
Thibault POUTREL	No. 212D1341 10 April 2012	Shares	Purchase	4 April 2012	5 April 2012	Euronext Paris	36.58	365,800
Thibault POUTREL	No. 212D1569 2 May 2012	Shares	Purchase	25 April 2012	26 April 2012	Euronext Paris	38.6812	386,812
Georges LIBERMAN	No. 212D2565 29 June 2012	Shares	Purchase	25 June 2012	28 June 2012	Euronext Paris	36.4627	79,525.15
Philippe LAZARE	No. 212D2564 29 June 2012	Shares	Purchase	25 June 2012	28 June 2012	Euronext Paris	36.4627	79,525.15
Christopher COONEN	No. 212D2563 29 June 2012	Shares	Purchase	25 June 2012	28 June 2012	Euronext Paris	36.4627	59,652.98
Patrice DURAND	No. 212D2562 29 June 2012	Shares	Purchase	25 June 2012	28 June 2012	Euronext Paris	36.4627	79,525.15
Michel LÉGER	No. 212D2561 29 June 2012	Shares	Purchase	25 June 2012	28 June 2012	Euronext Paris	36.4627	79,525.15
Mathieu GAGNARD	No. 212D2560 29 June 2012	Shares	Purchase	25 June 2012	28 June 2012	Euronext Paris	36.4627	79,525.15
Jacques BEHR	No. 212D2559 29 June 2012	Shares	Purchase	25 June 2012	28 June 2012	Euronext Paris	36.4627	79,525.15
Pierre-Antoine VACHERON	No. 212D2558 29 June 2012	Shares	Purchase	25 June 2012	28 June 2012	Euronext Paris	36.4627	79,525.15
Thibault POUTREL	No. 212D3155 6 Aug. 2012	Shares	Sale	2 Aug. 2012	3 Aug. 2012	Euronext Paris	43.36	216,800
Georges LIBERMAN	No. 212D3548 12 Sept. 2012	Shares	Sale	7 Sept. 2012	8 Sept. 2012	Euronext Paris	42.394	289,889.72
Jacques BEHR	No. 212D4834 6 Dec. 2012	Shares	Sale	29 Nov. 2012	4 Dec. 2012	Euronext Paris	40.99	657,765

3.3.3 OTHER INFORMATION

3.3.3.1 Conflicts of interest

At the date of filing of this Registration Document, 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.

3.3.3.2 Service contracts

During the last financial year, no Board member entered into a service contract with the Company or with Group companies providing benefits upon its term.

3.4 Statutory auditors' special report on regulated agreements and commitments to the shareholders' meeting called to approve the financial statements for the year ended December 31, 2012

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 2012

We hereby inform you that we have not been notified of any agreement or commitment entered into by the company in 2012, 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 and May 3, 2012.

Termination benefi ts 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, under the same conditions, by the Board of Directors and approved by the Shareholders except the part of the arrangement pertaining to the first 12 months following his initial appointment in 2007, 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 €142 870, taxes not included, was recorded during the year.

The statutory auditors

Paris and Paris La Défense, February 28, 2013

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

3.5 Statutory auditors' report, prepared in accordance with Articles L.225-235 of the French Commercial Code, on the Report of the Chairman of the Board of Directors of Ingenico S.A.

Financial Year ended December 31, 2012

To the Shareholders,

In our capacity as statutory auditors of Ingenico S.A., and in accordance with Article L.225-235 of the French Commercial Code ("*Code de commerce*"), we hereby report to you on the report prepared by the Chairman of your company in accordance with Article L.225-37 of the French Commercial Code for the year ended December 31, 2012.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L.225-235 of the French Commercial Code, particularly as regards corporate governance.

It is our responsability:

- 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 Article L.225-235 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 Article L.225-37 of the French Commercial Code.

Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by Article 225-37 of the French Commercial Code.

The statutory auditors

Paris and Paris La Défense, February 28, 2013

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

4

COMMENTARY ON THE FINANCIAL YEAR

4.1 Analysis of the activity and consolidated results

The consolidated financial data has been drawn up in accordance with International Financial Reporting Standards (IFRS). In order to provide meaningful comparable information, this 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.

As of 2012, foreign exchange gains and losses from conversion of operations denominated in foreign currency (including the effective portion of any related hedging instruments) are now recognized in cost of sales, instead of net finance costs.

To facilitate the assessment of Ingenico's performance in 2012, revenue and key financial figures for 2011 have been restated from January 1, 2011 to reflect the change in the scope of consolidation which occurred during 2011 fiscal year (acquisition of TNET, Paycom and XIRING) and the change in the recognition of foreign exchange gains and losses arising on conversion of transactions denominated in foreign currency (2011 proforma restated). Changes in scope that occured in 2012 (Roam Data, Arcom) were not restated.

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.

Free cash flow is equal to EBITDA less cash and other operating income and expenses, changes in working capital requirements, investing activities net of disposals, financial expenses net of financial income and tax paid.

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 KEY FIGURES

(in million euros)	2012	2011 pro forma restated	2011 Reported restated
Revenue	1 206	1 022	1 001
Adjusted gross profit	513	425	413
As % of revenue	*42.5%*	*41.6%*	*41.3%*
Adjusted operating expenses	(323)	(272)	(263)
Profit from ordinary activities, adjusted (EBIT)	190	153	151
As % of revenue	*15.7%*	*14.9%*	*15.1%*
Profit from operating activities	164	-	107
Net profit	100	-	58
Net profit attributable to shareholders	97	-	56
EBITDA	223	184	180
As % of revenue	*18.5%*	*18.0%*	*18.0%*
Free Cash Flow	125	-	69
Net debt	75	-	110
Equity attributable to shareholders	689	-	623

4.1.2 FINANCIAL DATA

Reported revenue up by 14%

	Full year 2012			Fourth quarter 2012		
		Change 2012/2011			Change 2012/2011	
	M€	Comparable	Reported	M€	Comparable	Reported
Europe-SEPA	507	9%	12%	131	-2%	-1%
Latin America	211	29%	22%	66	31%	22%
Asia-Pacific	207	13%	23%	73	27%	35%
North America	91	9%	17%	31	3%	9%
EEMEA	90	16%	17%	26	-2%	0%
Central Operations	100	23%	98%	25	18%	56%
TOTAL	**1 206**	**14%**	**20%**	**353**	**10%**	**13%**

4.1.2.1 Performance for the year

In 2012, Group revenue totaled €1.206 million, up by 20 percent on a reported basis. This included a positive foreign exchange impact of €25 million. Total revenue included €981 million generated by the Payment Terminal activity (hardware, servicing and maintenance) and €225 million generated by Transaction Services.

All regions contributed to the Group's overall strong performance. During the year, Ingenico took full advantage of the changing competitive landscape and high growth in the emerging markets[1], whose share of total revenue increased from 45 percent in 2011 to 48 percent.

- The pace has accelerated in Latin America, the main driver being extremely strong growth in Brazil, where the Group has taken advantage of a rapidly expanding payment terminal business and a greater share of the market.
- Rapid growth has continued in Asia-Pacific, as Ingenico has consolidated its strong foothold in China and expanded its market presence in Southeast Asia, notably in Indonesia.
- Business in the EEMEA region is up. In particular, sales activity has increased in Russia where Ingenico strengthened its direct presence by acquiring its distributor during the year.

Sales performance was likewise very strong in Europe. In Payment Terminals, Ingenico took full advantage of a changing competitive landscape in the most important markets, above all in the United Kingdom, France and Central Europe.

And finally, as expected, business grew in North America. Sales were up in the U.S., where the Group marketed its Telium terminal range (EMV and contactless) to large retail, but also to a lesser and increasing extent to merchants through distributor networks and ISOs (Independent Sales Organizations).

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

Services, Maintenance and Transactions accounted for 30 percent of total revenue, with Transactions alone contributing 19 percent, up approximately 2 points compared with the reported figure for 2011.

4.1.2.2 Gross margin high

The Group's reported gross profit amounted to €513 million, compared with €413 million in 2011 (restated). Gross profit included €0.6 million of amortization expense on allocated assets. Gross profit increased by 120 basis points to 42.5% mainly thanks to higher gross profit in Payment Terminals (hardware, servicing and maintenance).

On a pro forma basis, gross margin increased by 90 basis points to 42.5 percent in 2012. The main driver of this performance was the 200 basis-point increase in gross margin in Payment Terminals (hardware, servicing and maintenance) to 44.4 percent of revenue, mostly due to strong volume growth and the Group's procurement power.

Gross profit on Transaction Services was 34.4 percent, compared with 37.4 percent in 2011 on a pro forma basis, reflecting TransferTo's growth, which has a dilutive impact on gross profit. Excluding TransferTo, gross profit was 44.3 percent in 2012 versus 44.7 percent in 2011 pro forma.

4.1.2.3 Operating expenses under control

Reported operating expenses for the Group stood at €349 million in 2012 as compared to €288 million in 2011 and represented 28.9% of revenue. This increase was primarily attributable to higher performance-based sales expenses, along with R&D investments in future sources of growth, particularly in the United States and in the mobile payment segment. The higher general and administrative expenses reflect the move initiated in 2011 to expand support functions at Group and regional level.

(1) The term "emerging markets" refers here to Latin America, Asia-Pacific, EEMEA and TransferTo.

(in million euros)	2011 Reported	2011 Pro forma adjusted	2012 Reported	Restatement related to depreciation & amortization charges on acquisitions	2012 Adjusted
Sales & Marketing	97	83	123	(18)	105
Research & Development	77	71	93	(8)	85
General & Administrative	114	118	133	-	133
Total operating expenses	288	272	349	(26)	323
As % of revenue	28.8%	27.2%	28.9%		26.8%

After accounting for Purchase Price Allocation expenses of €26 millions, adjusted operating expenses stood at €323 million, as against €272 million in 2011 on a pro forma basis.

In 2012, adjusted operating expenses were stable at 26.8 percent of revenue, against 26.7 percent of revenue in 2011 (pro forma).

As expected, adjusted operating expenses in the second half of 2012 were stable at €163 million against €160 million in the first half, notably as the result of a decrease in general and administrative expenses. The Group thus drove operating expenses down by 490 basis points to 24.6 percent of revenue compared with the first half of 2012.

4.1.2.4 Increase in EBITDA

Reported EBITDA increased by 24 percent to €223 million, up from €180 million in FY2011 (restated reported figures). The EBITDA margin was 18.5 percent of revenue, up by 50 basis points.

On a comparable basis, EBITDA increased by 21 percent to €223 million, up from €184 million in 2011 (restated pro forma figures). The EBITDA margin increased by 50 basis points to 18.5 percent of revenue, against restated pro forma 2011.

4.1.2.5 Increase in EBIT

In 2012, profit from ordinary activities increased by 31% to €163 million, compared with €125 million in 2011 on a restated basis. Operating margin increased by 90 basis points to 13.5 percent of revenue. Profit from ordinary activities included Purchase Price Allocation expenses of €26 million (against €26 million in 2011) based on acquisitions.

On a comparable basis, EBIT increased by 24 percent to €190 million, compared with €153 million in 2011 (restated pro forma figures). The EBIT margin was 15.7 percent of revenue, up by 80 basis points.

4.1.2.6 Continued significant growth in profit from operations

In 2012, other operating income and expenses showed a net income of €1.0 million, versus an €18 million net expense in 2011. This improvement reflects the positive impact of remeasurement of Roam Data's assets and liabilities after the Group gained control of this entity in February 2012, as well as higher Other expenses in 2011.

in million euros	2012	2011 Restated	2011 Reported
Profit from ordinary activities	**163**	125	129
Other income & expenses	**1**	(18)	(18)
Profit from operating activities	**164**	107	111
As a % of revenue	**13.6%**	10.7%	11.1%

After accounting for Purchase Price Allocation expenses and other operating income and expenses, the Group's profit from operations is up by 54 percent to €164 million from €107 million in 2011. Operating margin increased by 290 basis points to 13.6 percent of revenue.

4.1.2.7 Reconciliation of profit from ordinary activities to EBITDA

(in million euros)	2012	2011 Restated	2011 Reported
Profit from ordinary activities	**163**	125	129
Allocated assets amortization	**26**	26	26
Other D&A and changes in provisions	**29**	25	25
Share based payment expenses	**5**	4	4
EBITDA	**223**	180	184

4.1.2.8 Financial result

(in million euros)	2012	2011 Restatedd	2011 Reported
Interest expenses	**(22)**	(26)	(26)
Income from cash and cash equivalents	**9**	7	7
Net finance costs	**(13)**	(19)	(19)
Foreign exchange gains/(losses)	**0**	(0)	(4)
Other financial income	**(1)**	(4)	(4)
Financial result	**(14)**	(23)	(27)

4.1.2.9 Net profit attributable to Ingenico S.A. shareholders up by 71 percent to €97 million

(in million euros)	2012	2011 restated	2011 reported
Profit from ordinary activities	164	107	111
Financial result	(14)	(23)	(27)
Share of profit of equity-accounted investees	(0)	(3)	(3)
Profit before income tax	150	81	81
Income tax	(50)	(23)	(23)
Net profit	100	58	58
Net profit attributable to shareholders	97	56	56

In 2012, the net profit attributable to Ingenico S.A. shareholders was €97 million, up from just €56 million in 2011.

This result includes a decrease in net finance costs to €14 million (down from €26 million in 2011): the non-recurring expenses on the syndicated loan facility refinanced in August 2011 no longer existed, and losses by equity-accounted associates were much lower than in the previous year.

Income tax expense increased from €23 million in 2011 to €50 million in 2012. The tax rate[1] stood at 33.1 percent in 2012, compared with 26.9 percent in 2011, due primarily to the increasing contribution of areas in higher tax jurisdictions in the Group profitability and the lack of factors favorable to deferred tax recognition.

4.1.2.10 A sound financial position

Total equity attributable to shareholders increased to €689 million.

Net debt decreased to €75 million at December 31, 2012 from €110 million at December 31, 2011.

During the year, Ingenico's operations generated free cash flow of €125 million, up by 82 percent. This increase is mainly attributable to a strong increase in EBITDA to €223 million and good control over working capital, with a surplus of €3 million, versus a €30 million deficit in 2011. This was made possible by strict management of inventories and trade receivables, and by higher net trade payables in a period of strong business expansion. At the same time, Ingenico continued to invest to support Group expansion, with investing activities net of disposals totaling €44 million.

The main cash outflows in 2012 were €14 million in dividend payments (€0.50 per share) in respect of 2011 and the acquisitions carried out during the year, totaling €69 million net of disposals, and in particular: the Group gained a controlling interest in Roam Data, acquired its distributor Arcom in Russia and strengthened its strong positions in China, exercising a put option on Landi shares and forming a joint venture with ZTE to develop a mobile payment acceptance network for merchants in China.

Ingenico's financial ratios at December 31, 2012 demonstrate the Group's sound financial position. The net debt-to-equity ratio was 11 percent, while the net debt-to-EBITDA ratio was 0.3.

4.1.3 SUBSEQUENT EVENTS TO DECEMBER 31, 2012

See Note 34 "Subsequent events" in the Notes to the condensed Consolidated Financial Statements as at December 31, 2012.

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

4.1.4 PRINCIPAL RISKS AND UNCERTAINTIES IN 2013

In 2012, Ingenico faces the same risks as described in this Registration Document).

4.1.5 RELATED-PARTY TRANSACTIONS

In 2012. there were no material transactions considered as new regulated agreements (see Note 33 in the Notes to the condensed Consolidated Financial Statements in chapter 5 of this Registration Document).

4.2 Outlook

2013 OUTLOOK

In a contrasting macroeconomic environment, the Group began 2013 with full confidence in its ability to sustain the momentum – in terms of both revenue and profitability – thanks to its excellent positioning, its wide range of solutions and its recent strategic investments.

Early in the year, business seems to be holding up well and should continue to expand in emerging markets and in North America. It should be noted that 2011 represents a very high basis of comparison, given that independent of underlying economic conditions, revenue in that period was particularly high in the Europe-SEPA Region and in Latin America as the competitive landscape changed significantly.

In this context and not including the impact of the Ogone acquisition, which should be completed by the end of the first quarter, Ingenico should post a revenue growth greater than or equal to 8% on a comparable basis (on a like-for-like basis at constant exchange rates) and an EBITDA margin growth of 18.5% or higher.

MID-TERM OUTLOOK

During Investor Day that the Group is organizing on March 26, 2013, in London, mid-term outlook will be communicated.

4.3 Comments on the parent company financial statements

4.3.1 KEY FIGURES AND KEY DATA

A reminder of the Company's three separate key roles:

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

The milestones in 2012 were as follows:

- Increase in revenue due to the increase in business activity and to the merger with Xiring as of January 1, 2012;
- Higher dividends amounting to €73.4 million received from the subsidiaries;
- Acquisition of payment terminal business in Russia from Arcom for an amount of €7 million;
- Subscription to the share capital increase of Ingenico Ventures SAS in the amount of €36 million to finance its greater holding in the share capital of its U.S. subsidiary, Roam Data (USA);
- A 40% stake in a joint venture with its Chinese partner, ZTE, and acquisition of the Chinese company, Nanjing ZTE-Ingenico Network Technology Co., Ltd. (China) for €9 million;
- Loan of US$ 60 million granted to its wholly-owned subsidiary, Ingenico Holdings Asia Limited, to finance its acquisition of minority shareholdings in its Chinese subsidiary, Fujian Landi Commercial Equipment Co., Ltd.;
- Merger with Xiring SA, with retroactive effect as of January 1, 2012.

The revenue figures for the financial year ended December 31, 2012 amount to €474.6 million, broken down as follows:

Geographical breakdown of the revenue	2012	2011
France	109.6	85.3
Asia	77.0	44.1
Europe, Central Europe	167.8	146.7
North and South America	74.1	73.2
Middle East	29.5	34.9
Africa	16.6	13.6
TOTAL	**474.6**	**397.8**

The financial result amounts to €60.5 million in 2012 compared to €2.5 million in 2011, including the following key figures:

	2012	2011
Interest expense	(13.4)	(13.8)
Interest income	3.9	-
Income from financial portfolio investments	3.1	-
Provisions/Reversals on equity and receivables	(11.3)	16.5
Dividends and interest received from subsidiaries	73.4	12.7
Foreign exchange	4.1	(5.4)
Gains/losses on disposal of securities	0.9	0.4
Losses on equity-related receivables	0	(8.5)
Other	(0.2)	0.6
TOTAL	**60.5**	**2.5**

The non-recurring income amounts to -€6.7 million, broken down as follows:

	2012	2011
Gains on disposal of assets	(1.7)	(0.2)
Litigation and quality	0.9	-
Restructuring costs	(0.5)	-
Acquisition costs	-	-
Head office move expenses	-	(0.8)
Debt write-offs/better fortune	(2.3)	-
Other	0.8	(0.3)
Tax-accelerated depreciation	(3.9)	(2.1)
TOTAL	**(6.7)**	**(3.4)**

Income tax amounts to €(6.9) including a research tax credit of €2.6 million.

The overall amount of the non-tax-deductible expenses amounts to €58,766 and corresponds to excess depreciation of the private passenger type vehicles.

Net equity increased from €578.2 million in 2011 to €664.1 million in 2012. Changes in net equity amount to €85.9 million of which €92.7 million is derived from profit for the financial year.

In addition, a dividend of €25.6 million (excluding treasury shares) was paid during the first semester of 2012, of which €11.3 million was paid in cash and €14.3 million was paid in Ingenico shares.

As a result, the Group parent company results show a profit of €92,740,776.38 for 2012.

Information on invoice payment periods for suppliers and customers (Article L. 441-6-1 of the French Commercial Code)

At December 31, 2012, the outstanding amount owed to suppliers was €77,906,801, broken down as follows:

- 34.8% due for invoices payable within 30 days from date of issue of the invoice;
- 15.7% due for invoices payable between 30 to 60 days;
- 30.9% due for invoices not received.

At the same date, this outstanding balance included 18.6% of overdue payments.

At December 31, 2012, the outstanding amount owed by customers amounted to €92,876,742.

5

CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2012

5.1 Consolidated income statements

For the financial years ended December 31, 2012, 2011 and 2010

(in thousands of euros)	Notes	2012	2011 Published	2011 Restated*	2010 Published	2010 Restated*
Revenue	7	**1,206,425**	**1,001,115**	**1,001,115**	**907,020**	**907,020**
Cost of sales		(693,774)	(584,333)	(588,083)	(540,885)	(540,600)
Gross profit		**512,651**	**416,782**	**413,032**	**366,135**	**366,420**
Distribution and marketing costs		(122,390)	(97,342)	(97,342)	(85,236)	(85,236)
Research and development expenses		(93,385)	(76,598)	(76,598)	(84,247)	(84,247)
Administrative expenses		(133,426)	(114,379)	(114,379)	(99,761)	(99,761)
Profit from ordinary activities		**163,450**	**128,463**	**124,713**	**96,891**	**97,176**
Other operating income	9	10,305	951	951	10,366	10,366
Other operating expenses	9	(9,308)	(18,593)	(18,593)	(33,487)	(33,487)
Profit from operating activities		**164,447**	**110,821**	**107,071**	**73,770**	**74,055**
Finance income	10	51,033	57,732	57,732	59,738	59,738
Finance costs	10	(64,946)	(84,811)	(81,061)	(69,532)	(69,817)
Net finance costs		**(13,913)**	**(27,079)**	**(23,329)**	**(9,794)**	**(10,079)**
Share of profit of equity-accounted investees	14	(462)	(3,198)	(3,198)	(1,671)	(1,671)
Profit before income tax		**150,072**	**80,544**	**80,544**	**62,305**	**62,305**
Income tax expense	11	(49,805)	(22,551)	(22,551)	(22,716)	(22,716)
Profit for the period		**100,267**	**57,993**	**57,993**	**39,589**	**39,589**
Attributable to:						
• Owners of Ingenico SA		96,854	56,489	56,489	39,575	39,575
• Non-controlling interests		3,413	1,504	1,504	14	14
Earnings per share *(in euros)*	23					
Net earnings:						
• **Basic earnings per share**		**1.87**	**1.11**	**1.11**	**0.81**	**0.81**
• **Diluted earnings per share**		**1.80**	**1.09**	**1.09**	**0.80**	**0.80**

* *As of 2012, exchange gains or losses arising on translation of operating revenues and expenses denominated in foreign currency (including the effective portion of any related hedging instruments) are recognized in Cost of sales, instead of Net finance costs as in prior years. To facilitate comparison, the 2011 and 2010 income statements have been restated. Accordingly, exchange gains of €3.545.000 were reclassified from Net finance costs to Cost of sales in 2012, exchange losses of €3.750.000 in 2011 and exchange gains of €285.000 in 2010.*

5.2 Consolidated statements of comprehensive income

For the financial years ended 31 December 2012, 2011 and 2010

(in thousands of euros)	Notes	2012	2011	2010
Profit for the period attributable to Ingenico S.A. Shareholders		96,854	56,489	39,575
Translation differences		(1,611)	4,279	17,214
Remeasurement of derivative hedging instruments at fair value(1)		(8,375)	2,202	(705)
Actuarial gains/(losses) on defined benefit plans(2)	26	(3,753)	(3,804)	1,706
Share of gains/(losses) of associates recognized directly in equity		-	-	-
Income tax on gains/(losses) recognized directly in equity(3)		3,891	907	(354)
TOTAL GAINS/(LOSSES) RECOGNIZED DIRECTLY IN EQUITY AND ATTRIBUTABLE TO INGENICO S.A. SHAREHOLDERS		**(9,848)**	**3,584**	**17,861**
Total comprehensive income attributable to Ingenico S.A. shareholders		87,005	60,073	57,437
Total comprehensive income attributable to non-controlling interests		3,413	1,504	-
Translation differences attributable to non-controlling interests		118		
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**90,536**	**61,577**	**57,437**

2012

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

(2) 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: €103.000;*
- *taxes on gains or losses on hedging instruments: €2.883.000;*
- *taxes on actuarial gains or losses on defined benefits plans: €905.000.*

2011

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

(2) 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 swap on a bank loan and on foreign exchange forward contracts used to hedge cash flows that is determined to be an effective hedge is recognized directly in equity.

(2) 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.*

5.3 Consolidated balance sheets

For the financial years ended 31 December 2012, 2011 and 2010

ASSETS

(in thousands of euros)	Notes	2012	2011	2010
Non-current assets				
Goodwill	12	551,176	529,022	466,260
Other intangible assets	12	148,429	151,952	156,810
Property, plant and equipment	13	37,600	34,224	31,275
Investments in equity-accounted investees	14	9,000	18,265	21,116
Financial assets	15	4,270	4,667	4,561
Deferred tax assets	11	26,766	23,502	22,883
Other non-current assets	16	21,157	20,353	20,460
TOTAL NON-CURRENT ASSETS		**798,398**	**781,985**	**723,365**
Current assets				
Inventories	17	105,229	94,899	105,497
Trade and related receivables	18	332,224	335,329	254,123
Other current assets	20	20,111	11,209	7,440
Current tax assets	20	3,820	9,359	10,582
Derivative financial instruments	25	1,506	6,861	3,461
Cash and cash equivalents	24	384,152	347,602	158,937
Assets classified as held for sale	21	-	-	-
TOTAL CURRENT ASSETS		**847,042**	**805,259**	**540,040**
TOTAL ASSETS		**1,645,440**	**1,587,244**	**1,263,405**

EQUITY AND LIABILITIES

(in thousands of euros)		2012	2011	2010
Share capital		52,488	51,980	51,512
Share premium account		402,431	394,796	382,517
Retained earnings and other reserves		217,479	158,160	97,250
Translation reserve		16,956	18,551	14,288
Equity attributable to Ingenico S.A. Shareholders	**22**	**689,354**	**623,487**	**545,567**
Non-controlling interests		**(706)**	**7,096**	**-**
TOTAL EQUITY		**688,648**	**630,583**	**545,567**
Non-current liabilities				
Long-term loans and borrowings	24	381,383	427,563	228,775
Provisions for retirement benefit obligations	26	11,674	12,785	8,650
Other provisions	27	17,566	22,276	20,109
Deferred tax liabilities	11	38,666	43,696	39,123
Other non-current liabilities	28	20,622	11,869	15,531
TOTAL NON-CURRENT LIABILITIES		**469,911**	**518,189**	**312,188**
Current liabilities				
Short-term loans and borrowings	24	77,645	29,691	39,228
Other provisions	27	13,738	11,184	14,030
Trade and related payables	29	280,559	297,332	267,730
Other current liabilities	31	85,808	79,855	73,813
Current tax liabilities	30	21,265	16,640	8,633
Derivative financial instruments	25	7,866	3,770	2,216
Liabilities classified as held for sale	21	-	-	-
TOTAL CURRENT LIABILITIES		**486,881**	**438,472**	**405,650**
TOTAL LIABILITIES		**956,792**	**956,661**	**717,838**
TOTAL EQUITY AND LIABILITIES		**1,645,440**	**1,587,244**	**1,263,405**

5.4 Consolidated cash flow statements

For the financial years ended December 31, 2012, 2011 and 2010

(in thousands of euros)	2012	2011	2010
Cash flows from operating activities			
Profit for the year	100,267	57,993	39,589
Adjustments for:			
• Share of profits of equity-accounted investees	462	3,198	1,671
• Income tax expense / (income)	49,805	22,551	22,715
• Depreciation, amortization and provisions	54,299	51,318	84,769
• Change in fair value	964	152	2,787
• Gains / (losses) on disposal of assets	(8,528)	980	(8,490)
• Net interest costs	13,212	21,545	9,241
Share-based payment expense	5,060	4,291	5,611
Interest paid	(14,060)	(12,248)	(12,106)
Income tax paid	(42,346)	(25,665)	(38,763)
Cash flows from operating activities before change in net working capital	**159,135**	**124,115**	**107,024**
Change in working capital			
Inventories	(11,727)	15,795	(22,902)
Trade and other receivables	(1,507)	(72,249)	(13,338)
Trade and other payables	16,086	26,485	52,410
Change in net working capital	**2,852**	**(29,969)**	**16,170**
NET CASH FROM OPERATING ACTIVITIES	**161,987**	**94,146**	**123,194**
Cash flows from investing activities			
Acquisition of non-current assets	(49,783)	(34,745)	(24,085)
Proceeds from sale of non-current assets	5,204	373	879
Acquisition of subsidiaries, net of cash acquired	(25,457)	(80,509)	(57,993)
Disposal of subsidiaries, net of cash disposed of	7,564	-	2,653
Short-term investments	-	534	(524)
Loans and advances granted	(2,888)	(742)	(665)
Loan repayments received	2,856	739	650
Interest received	9,311	7,069	3,245
NET CASH FLOW FROM (USED IN) INVESTING ACTIVITIES	**(53,193)**	**(107,281)**	**(75,840)**
Cash flows from financing activities			
Proceeds from share capital issues	276	400	4,895
Purchase/(sale) of own shares	3,247	(6,857)	(5,859)
Proceeds from loans and borrowings	15,035	462,508	34,257
Repayment of loans and borrowings	(18,704)	(258,719)	(5,934)
Changes in the group's ownership interests in controlled entities(1)	(51,455)		
Changes in other financial liabilities	105	-	-
Changes in the fair value of hedging instruments	193	(273)	-
Dividends paid	(13,861)	(5,259)	(9,404)
NET CASH FLOW USED IN FINANCING ACTIVITIES	**(65,164)**	**191,800**	**17,955**
Effect of exchange rates fluctuations	(731)	3,709	3,819
Change in cash and cash equivalents	**42,899**	**182,374**	**69,128**
Cash and cash equivalents at beginning of the year	327,931	145,557	76,430
Cash and cash equivalents at year end[2]	370,830	327,931	145,557

Comments:	*2012*	*2011*	*2010*
(1) Pursuant to the revised IAS 27, cash flows arising on changes in ownership interests in controlled entities are classified as cash flows from financing activities in the consolidated cash flow statements.			
(2) Cash and cash equivalents			
UCITS (only portion classified as cash)	*147,156*	*86,724*	*22,712*
Cash on hand	*236,996*	*260,878*	*136,225*
Bank overdrafts (included in short-term borrowings)	*(13,322)*	*(19,671)*	*(13,380)*
Total cash and cash equivalents	***370,830***	***327,931***	***145,557***

5.5 Consolidated statements of changes in equity

For the financial years ended December 31, 2012, 2011 and 2010

(in thousands of euros)	Share capital	Issue and contribution premiums	Translation reserve	Effective portion of hedging instruments	Treasury shares	Retained earnings and other reserves	Total equity attributable to Ingenico S.A. shareholders	Minority interests	Total equity
Balance at January 1, 2010	**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 inLandi[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**
Dividends paid to shareholders[1]						(11,543)	(11,543)	(2,397)	(13,940)
Stock dividends paid to shareholders[2]	423	13,613				(14,036)	-		-
Treasury shares[3]					11,782	(5,381)	6,401		6,401
Share-based payments and exercise of stock options[4]	85	770				1,886	2,741	60	2,801
Acquisition Xiring[5]							-	(5,600)	(5,600)
Acquisition Roam Data[6]						(3,637)	(3,637)		(3,637)
Acquisition Landi[7]						(11,772)	(11,772)	(3,396)	(15,168)
Remeasurement effect of put options[8]						(1,762)	(1,762)		(1,762)
Discounting effect of put options[9]						(1,566)	(1,566)		(1,566)
Total gains/(losses) recognized for the period			(1,613)	(5,492)		94,110	87,005	3,531	90,536
Adjustment for dividends paid out of the share premium account[10]		(6,746)				6,746	-		-
Balance at December 31, 2012	**52,488**	**402,431**	**16,956**	**(3,829)**	**(5,900)**	**227,206**	**689,354**	**(706)**	**688,648**

2012

(1) Cash dividend paid on May 31, 2012 and dividends distributed to non-controlling shareholders in Landi.

(2) Stock dividend through capitalization of reserves and issuance of 423,144 new shares.

(3) At January 1, 2012, the Company held 868,484 treasury shares. At December 31, 2012, the Company held 252,637 treasury shares bought back by virtue of authorizations granted at shareholders' meetings.

(4) Share-based payment:

- *the increase in retained earnings and other reserves reflects fair value adjustments to 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 and a capital increase. As part of the merger with Xiring, Ingenico S.A. also increased its share capital by issuing new shares for the benefit of 1) holders of Xiring free shares, at a conversion ratio of two Xiring shares for one Ingenico share; and 2) holders of stock options exercised between the date of the merger proposal and the date on which the merger was completed, at a ratio of two Xiring shares for one Ingenico share.*

(5) During the first half of 2012, Ingenico finalized the buyout of the remaining non-controlling interests in Xiring, thus assuming full ownership of the company. Upon completion of the process, Xiring was absorbed into Ingenico S.A.

(6) On February 6, 2012, Ingenico Ventures gained a controlling interest in Roam Data.
The net effect of the Roam Data put option put in place was to reduce equity by €3.6 million.

(7) On October 31, 2012, Ingenico Holding Asia Ltd gained exclusive control of Landi.
The net effect of the exercise of the Landi put option was to reduce equity attributable to Ingenico S.A. shareholders by €11.8 million.

(8) Remeasurement of put options on Roam Data and Transfer To. N.B.: The put option on Roam Data shares was for the remaining 16.37 percent non-controlling interests in the company.

(9) The discounts unwound pertain to put options on Landi, Transfer To and Roam Data shares.

(10) This refers to an appropriation from the share premium account to pay cash dividends.

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 Holdings 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.

5.6 Notes to the Consolidated Financial Statements

Detailed Table of Contents of the Notes to the Consolidated Financial Statements

NOTE 1 THE GROUP

These consolidated financial statements present the operations and financial position of Ingenico S.A. (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 S.A. is a company incorporated under French law whose securities are traded on a regulated market, with its registered office in Paris.

The Consolidated Financial Statements were adopted by the Board of Directors on February 27, 2013. They will be submitted for approval to the shareholders at their Annual Shareholders' Meeting of April 29, 2013.

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 financial year ended December 31, 2012 were drawn up in accordance with IFRS (International Financial Reporting Standards), as adopted by the European Union at December 31, 2012. These standards are available on the European Commission's website:

http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.

The new standards in effect as of January 1, 2012 and which concern the Group are the amendments to IFRS 7, Disclosures – Transfers of Financial Assets.

The adoption of these amendments did not result in any significant changes in the presentation of the consolidated financial statements.

In preparing these consolidated financial statements, the Group did not apply in advance the following standards, amendments and interpretations issued by the IASB or the IFRIC (International Financial Reporting Interpretations Committee) and adopted by the European Union at December 31, 2012, but which are not yet mandatory:

- IFRS 13: "Fair Value Measurement" ;
- IFRS 10: "Consolidated Financial Statements";
- IFRS 11: "Joint Arrangements";
- IFRS 12: "Disclosures of Interests in Other Entities";
- The amendments to IAS 27 and IAS 28 further to the issue of IFRS 10, 11 and 12;
- The amendment to IAS 1, "Presentation of Items of Other Comprehensive Income";
- Amendments to IAS 19: "Post-Employment Benefits";
- amendments to IFRS 1: "Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters";
- Amendments to IAS 12: "Deferred Tax – Recovery of Underlying Assets";
- Amendments to IFRS 7: "Disclosures – Offsetting Financial Assets and Financial Liabilities";
- Amendments to IAS 32: "Offsetting Financial Assets and Financial Liabilities";
- IFRIC 20: "Stripping Costs in the Production Phase of a Surface Mine".

Nor did the Group apply in advance the following standards, amendments and interpretations issued by the IASB or the IFRIC but not yet adopted by the European Union at December 31, 2012:

- Amendments to IFRS 10, 11 and 12: Transition Guidance;
- Annual Improvements 2009–2011.

The subsequent application of these standards, amendments and interpretations is not expected to have a significant impact on the Group's consolidated financial statements.

Basis of preparation

The financial statements are presented in euros, the Group's functional 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 into account economic information which may change in the future and which is 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, except for the change in the method of accounting for conversion differences arising on ordinary operating activities, as set forth below.

Change in accounting method

As of 2012, conversion differences arising on ordinary operating activities that are denominated in foreign currency are now recognized in profit from ordinary activities, instead of in net finance costs as previously. These operating activities are related to working capital items, as are the related hedging instruments. The purpose of this new presentation is to have exchange gains or losses, the underlying items and the associated foreign exchange hedges recognized on the same line in the income statement.

To facilitate comparison, prior-period data has been restated.

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 manage 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 on which the Company gains control until the date on 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 on which the Company gains significant influence until the date on 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.

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 differences arising on ordinary operating activities that are denominated in foreign currency are now recognized in Profit from ordinary activities. These operating activities are related to working capital items, as are the related hedging instruments.

Apart from such translation differences on ordinary operating activities, all other translation differences are recognized in Net finance costs.

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 2012, 2011 and 2010 are as follows:

Closing rate	2012	2011	2010
U.S. Dollar	1.3194	1.2939	1.3362
Canadian Dollar	1.3137	1.3215	1.3322
Australian Dollar	1.2712	1.2723	1.3136
British Pound	0.8161	0.8353	0.8608
Brazilian Real	2.7036	2.4159	2.2177
Chinese Yuan	8.2207	8.1588	8.8220

Average rate	2012	2011	2010
U.S. Dollar	1.2856	1.3917	1.3268
Canadian Dollar	1.2848	1.3756	1.3665
Australian Dollar	1.2413	1.3482	1.4442
British Pound	0.8111	0.8678	0.8582
Brazilian Real	2.5043	2.3259	2.3344
Chinese Yuan	8.1094	8.9961	8.9805

Hedging

Cash flow hedges

When a derivative financial instrument is designated as a hedging instrument whose cash flows are expected to offset changes in the cash flows of 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. Gains or losses from remeasuring foreign exchange hedging instruments at fair value are recognized in profit from operations in the case of risk arising from operating activities, and otherwise as financial income or expenses. Except for in the hedging relationships described above, any gain or loss from remeasuring the instruments at fair value are recognized 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.

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.

Put options on non-controlling interests:

As of January 1, 2010, 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 S.A shareholders. The unwinding of the discount to that liability and the effect of any changes in estimates are recognized in Equity attributable to Ingenico S.A 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, 2010 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.

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 14 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.

UCITS that do not meet the criteria of IAS 7 for cash equivalents 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. They also include UCITS that meet the IAS 7 criteria for cash equivalents.

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.

Supplier inventory buyback commitments

A provision for commitments to buy back inventory from suppliers is recognized to cover the risk that components held by suppliers may become obsolete and the risk that supplies may exceed planned output.

A provision for the full value of components declared obsolete is recognized. The Group estimates excess supplies by comparing the procurement plan with the production plan.

Product quality risk

A provision for product quality risk is recognized when this risk is not covered by the provision for warranties.

The amount of the provision is based on 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.

Produits

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 remeasurements of financial instruments (other than hedging instruments), gains or losses on disposals of financial instruments, the expected costs and returns on defined benefits retirement plan assets, as well as provisions for impairment and impairment losses on financial assets.

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 or in other comprehensive income, in which cases it is also recognized respectively in equity or other comprehensive income.

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) Taxable temporary differences arising on 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 S.A. shareholders by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares held as treasury shares. Diluted earnings per share are calculated by adjusting the net profit or loss attributable to Ingenico S.A. shareholders and the weighted average number of ordinary shares outstanding, excluding treasury shares, to take into account the effect of all potentially dilutive ordinary shares, including employee stock options and free share awards, 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

	2012						
Asset and liability categories *(in thousands of euros)*	Assets & liabilities measured at fair value through profit or loss (FV option)	Loans and receivables	Liabilities at amortized cost	Liabilities measured at fair value through equity	Derivative instruments designated as hedging future cash flows	Total net carrying amount	Fair value of the asset or liability category
Financial assets	-	4,270	-	-	-	4,270	4,270
Trade and other current receivables	-	324,134	-	-	-	324,134	324,134
Derivative financial instruments	349	-	-	-	1,157	1,506	1,506
Other non-current assets	-	19,769	-	-	-	19,769	19,769
Cash and cash equivalents	147,074	237,078	-	-	-	384,152	384,152
TOTAL FINANCIAL ASSETS	**147,423**	**585,250**	**-**	**-**	**1,157**	**733,831**	**733,831**
Bond loan (OCEANE)	-	-	220,264	-	-	220,264	220,264
Long-term loans	-	-	161,119	-	-	161,119	161,119
Other non-current liabilities	-	-	19,092	-	-	19,092	19,092
Short-term borrowings	-	-	77,645	-	-	77,645	77,645
Trade payables and other current liabilities	-	-	280,119	12,735	-	292,854	292,854
Derivative financial instruments	168	-	-	-	7,698	7,866	7,866
TOTAL FINANCIAL LIABILITIES	**168**	**-**	**758,238**	**12,735**	**7,698**	**778,839**	**778,839**

	2011						
Asset and liability categories *(in thousands of euros)*	Assets & liabilities measured at fair value through profit or loss (FV option)	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**

Asset and liability categories *(in thousands of euros)*	2010 Assets & liabilities measured at fair value through profit or loss (FV option)	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**

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 2012, 2011 and 2010.

There were no financial instruments in Level 3. The company did not make any transfers between the levels in 2010, 2011 and 2012.

	2012		
(in thousands of euros)	Total	Level 1	Level 2
Financial assets at fair value, including:			
Derivative financial instruments*	1,506	-	1,506
Cash and cash equivalents	147,074	147,074	
TOTAL ASSETS	**148,580**	**147,074**	**1,506**
Financial liabilities at fair value, including:			
Derivative financial instruments*	7,866	-	7,866
TOTAL LIABILITIES	**7,866**	**-**	**7,866**

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

	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*	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*	3,770	-	3,770
TOTAL LIABILITIES	**3,770**	**-**	**3,770**

* *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*	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*	2,216	-	2,216
TOTAL LIABILITIES	**2,216**	**-**	**2,216**

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

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, 2012

At December 31, 2012, the Group's principal financial assets were the following:

- cash and cash equivalents totaling €384.2 million;
- trade receivables totaling €293.7 million, related to the Group's normal operating cycle;
- finance lease receivables totaling €33.9 million.

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, 2012 was as follows:

(in thousands of euros)	2012	2011	2010
Cash and cash equivalents	384,152	347,602	158,937
Financial assets	4,270	4,690	4,583
Trade receivables	293,709	296,216	227,008
Finance lease receivables	33,939	29,893	25,828
Other operating receivables	8,190	5,970	2,823
Other current assets	7,951	316	179
Other non-current assets	114	251	147
Hedging derivative financial instruments (assets)	1,506	6,861	3,461
TOTAL	**733,831**	**691,799**	**422,968**

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

Credit risk is monitored at Group level by 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, 2012

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 S.A. 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 Group 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 €23.5 million, none of which is currently utilized;
- has a net debt at December 31, 2012 amounted to €74.9 million, and its debt ratios are not high, leaving its borrowing capacity intact.

The maturities of the Group's financial liabilities at December 31, 2012 were as follows:

	2012					
(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	220,264	277,762	6,875	6,875	264,012	-
Bank borrowings	208,368	222,095	57,423	56,369	108,303	-
Finance lease obligations	5,789	5,791	3,603	1,908	280	-
Bank overdrafts	13,321	13,321	13,321	-	-	-
Other financial liabilities	11,286	11,286	8,223	80	2,983	-
TOTAL	**459,028**	**530,255**	**89,445**	**65,232**	**375,578**	**-**
Derivative financial liabilities						
Exchange rate instruments	1,541	1,541	1,541	-	-	-
Interest rate instruments	6,325	6,325	6,325	-	-	-
TOTAL	**7,866**	**7,866**	**7,866**	**-**	**-**	**-**

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**	**553,528**	**40,932**	**66,580**	**189,141**	**256,875**
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**	**-**	**-**	**-**

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

	2010					
(in thousands of euros)	Carrying amount	Contractual cash flow	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
Non-derivative financial liabilities						
Bank borrowings	240,296	245,464	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**	**-**	**-**	**-**

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, 2012, the Group's financial liabilities comprised the following:

- a €360 million variable-rate syndicated loan facility put in place on August 5, 2011. 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: €26.25 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, 2012.
- €13.3 million in short-term bank overdrafts. The Group has also unutilized overdraft facilities totaling €23.5 million at year-end;
- €17 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, 2012.

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.

	2012				
(in thousands of foreign currencies)	US Dollar	British Pound	Japanese Yen	Canadian Dollar	Australian Dollar
Trade receivables	123,542	12,020	-	32,770	21,625
Trade payables	(118,907)	(7,101)	(4,512)	(12,362)	(8,889)
Gross balance sheet exposure	**4,635**	**4,919**	**(4,512)**	**20,408**	**12,736**
Estimated forecast sales	182,384	37,028	-	27,794	35,426
Estimated forecast purchases	(258,588)	(22,320)	-	-	-
Gross exposure	**(71,569)**	**19,627**	**(4,512)**	**48,202**	**48,162**
Foreign exchange derivative instruments					
Forward purchases	69,652	-	-	-	-
Forward sales	-	(8,800)	-	(19,553)	(28,763)
Options	-	-	-	-	-
Net exposure	**(1,917)**	**10,827**	**(4,512)**	**28,649**	**19,399**

	2011				
(in thousands of foreign currencies)	US Dollar	British Pound	Japanese 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	Japanese 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**

Sensitivity to foreign exchange risk

(in thousands of euros)	2012			
	Impact on income statement	Impact on equity	Impact on income statement	Impact on equity
	10% appreciation of the euro		10% appreciation of foreign currency	
Trade receivables	(13,665)	-	16,703	-
Trade payables	10,479	-	(12,808)	-
Derivative financial instruments	1,366	(545)	(1,193)	546
TOTAL	**(1,820)**	**(545)**	**2,702**	**546**

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:

(in thousands of euros)		2012			
		Trade receivables	Trade payables	Derivative financial instruments	Total
Impact on income statement reserves 10% appreciation of the euro	USD	(8,512)	8,193	2,133	1,814
	GBP	(1,339)	791	6	(542)
	JPY	-	4		4
	CAD	(2,268)	855	(208)	(1,621)
	AUD	(1,546)	636	(564)	(1,474)
	SUBTOTAL	(13,665)	10,479	1,366	(1,820)
Impact on income statement reserves 10% depreciation of the euro	USD	10,404	(10,014)	(1,959)	(1,569)
	GBP	1,637	(967)	(6)	664
	JPY	-	(4)	-	(4)
	CAD	2,772	(1,046)	208	1,934
	AUD	1,890	(777)	564	1,677
	SUBTOTAL	16,703	(12,808)	(1,193)	2,702

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.

Senior management regularly reviews these targets and resets them for upcoming periods after conferring with the Audit and Finance Committee. The targets are subsequently implemented by the Treasury Department. Interest rate swaps and cap agreements are the main instruments used.

An interest rate swap covering 100 percent of the €210 million syndicated loan tranche maturing in 2016 was put in place. In 2011, the Group entered into an interest rate swap to hedge the attendant risk, thus converting its variable rate exposure into fixed rate exposure until 2016.

	Carrying amount		
(in thousands of euros)	2012	2011	2010
Fixed-rate instruments			
Fixed-rate financial assets	**-**	**-**	**-**
Bond loans	220,264	213,637	-
Bank borrowings	208,368	207,781	-
Others	9,165	12,146	14,615
Fixed-rate financial liabilities	**437,797**	**433,564**	**14,615**
Variable-rate instruments			
Cash and cash equivalents	384,152	347,602	158,937
Financial assets	4,270	4,690	4,583
Trade receivables	293,709	296,216	227,008
Finance lease receivables	33,939	29,893	25,828
Other operating receivables	8,190	5,970	2,823
Other current assets	7,951	316	179
Other non-current assets	114	251	147
Derivative hedging instruments (assets)	1,506	6,861	3,461
Variable-rate financial assets	**733,831**	**691,799**	**422,968**
Bank borrowings, finance leases, short-term borrowings	14,353	18,060	253,389
Variable-rate financial liabilities	**14,353**	**18,060**	**253,389**
Accrued interest on bank borrowings	**6,878**	**5,630**	**-**

Sensitivity to interest rate risk

An increase of 100 basis points in 3-month Euribor would have increased profit for the period by €0.02 million, and equity by €3.9 million at December 31, 2012.

A decrease of 100 basis points in 3-month Euribor would have reduced profit for the period by €0.008 million and equity by €4 million at December 31, 2012.

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 (Mobile Payments Solution NV).

Corporate name	Address	Country	% interest Ingenico SA	Consolidation method
PARENT COMPANY				
Ingenico SA	28/32 Boulevard de Grenelle 75015 Paris	France		
CONSOLIDATED SUBSIDIARIES				
Ingenico GmbH	Am Gierath 20, 40885 Ratingen	Germany	100%	FC
Ingenico Healthcare GmbH	Konrad-Zuse-Ring 1, 24220 Flintbek	Germany	100%	FC
DI Deutsche Ingenico Holding GmbH	Am Gierath 20, D-40468 Ratingen As well as its wholly owned subsidiaries easycash Loyalty Solutions GmbH, easycash GmbH	Germany	100%	FC
Ingenico International (Pacific) Pty Ltd	6 Prosperity Parade, Warriewood NSW 2102	Australia	100%	FC
Ingenico do Brasil Ltda.	Alameda Araguaia, n.º 2190, Edifício North Tower, Condomínio CEA II, Centro Empresarial Araguaia II, Alphaville, CEP 06455-906 Barueri - São Paulo As well as its wholly owned Colombian and Venezuelan subsidiaries and its branch offices in Argentina and Chile	Brazil	100%	FC
Ingenico Iberia SL.	Avenida del Partenon 16-18, Campo de las Naciones, 28042 Madrid As well as its subsidiary Ingenico Barcelona S.A. held at 99.99%	Spain	100%	FC
Ingenico Corp.	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801 As well as its wholly owned American and Canadian subsidiaries	U.S.	100%	FC
Ingenico Latin America Inc.	9155 South Dadeland Blvd, Suite 1500, Miami Florida 33156 As well as its wholly owned Mexican subsidiary	U.S.	100%	FC
Ingenico Ventures SAS	28/32 Boulevard de Grenelle, 75015 Paris As well as its subsidiaries - Fixed & Mobile Pte Ltd, a company incorporated in Singapore, held at 38.38% and Roam Data, a company incorporated in the United States, held at 83.63%	France	100%	FC
Ingenico Prepaid Services France SAS	28/32 Boulevard de Grenelle, 75015 Paris	France	100%	FC
Ingenico 1 SA	28/32 Boulevard de Grenelle, 75015 Paris	France	100%	FC
Ingenico 2 SA	28/32 Boulevard de Grenelle, 75015 Paris	France	100%	FC
Ingenico (UK) Ltd.	17 Ridge Way, Donibristle Industrial Park, Dalgety Bay, Dunfermline, Fife KY11 9JU As well as its wholly owned subsidiaries Ingenico Ireland Ltd and Ingenico Matsu Ltd.	U.K.	100%	FC
Ingenico Holdings Asia Ltd.	3806 Central Plaza, 18 Harbour Road, Wanchai, As well as its subsidiaries Ingeserve Co. Ltd, Fujian Landi Commercial Equipment Co. Ltd, PT Payment Solutions Indonesia, and Fixed & Mobile Pte Ltd, respectively held at 100%, 100%, 99%, and 61.62%, and fully consolidated	Hong Kong	100%	FC
Ingenico Hungary Kft.	Hattyú utca 14. VII. emelet (Hattyú Ház), 1015 Budapest	Hungary	100%	FC
Ingenico International India Private Ltd.	Ground Floor 8-12, World Trade Centre, Babar Road, Connaught Place, New Delhi- 110001	India	100%	FC
Ingenico Italia SpA	Via Giorgio Stephenson 43/a, 20157 Milano	Italy	100%	FC

Corporate name	Address	Country	% interest Ingenico SA	Consolidation method
Ingenico Eastern Europe I SARL	1, Rue Joseph Hackin, L–1746 Luxembourg As well as its wholly owned subsidiary Ingenico Polska	Luxembourg	100%	FC
Ingenico Investment Luxembourg SA	1, Rue Joseph Hackin, L–1746 Luxembourg	Luxembourg	100%	FC
Mobile Payments Solutions NV	Prinses Margrietplantsoen 79, 2595BR ‘s-Gravenhage (La Haye)	Netherlands	40%	EM
Ingenico Software Services Philippines Inc.	17 Floors Pearlbank Center, 146 Valero Street 1227 Metro Manila, Salcedo Village, Makati City	Philippines	100%	FC
Ingenico CZ S.r.o.	Myslíkova 173/25 - 110 00, Praha 1	Czech Republic	100%	FC
Ingenico LLC	Godovikova street,9 - 119085, Moscow	Russia	100%	FC
Ingenico Payment Systems LLC	Ul. Shpalernaya 51, 191015 Saint-Petersburg	Russia	100%	FC
Ingenico International (Singapore) Pte Ltd	600 North Bridge Road, #05-01 Parkview Square, Singapore 188778 As well as its subsidiary PT Payment Solutions Indonesia, held at 1%	Singapore	100%	FC
Ingenico (Suisse) SA	Impasse des Ecureuils 2 Case postale 56 CH-1763 Granges-Paccot	Switzerland	100%	FC
Ingenico Ödeme Sistem Çözümleri AS	Ayazaga Kampüsü,Teknokent ARI 3 Binası Kat: 8 No: 802 – 804, 34469 Maslak, Sarıyer - Istanbul	Turkey	100%	FC

NOTE 6 ACQUISITIONS AND DIVESTITURES

Acquisitions

6.1 Move to a controlling interest in Roam Data

Description of the transaction

To enhance its mobile payment offer, particularly to independent merchants, Ingenico acquired on February 6, 2012 to acquire a controlling interest in the Boston-based company Roam Data, in which it held a 43.92-percent stake since November 2009. Roam Data’s innovative solutions combine hardware, software and services for the mobile payment market with an m-Commerce platform. The company has been included in the Central Operations segment.

Ingenico thus acquired an additional 38-percent interest in Roam Data for a total of €36.1 million. The Roam Data shares previously held by Ingenico had a fair value of €12.5 million at the date of acquisition, which led the Group to recognize a net gain of €8.8 million.

On this basis, Ingenico granted Roam Data the right to offer stock options, subject to a limit guaranteeing that the Group’s holding in Roam Data will remain above a 74.7-percent floor.

Transaction price

Ingenico acquired this additional interest for a consideration of €36.1 million.

Given that cash acquired as part of the transaction amounted to €26.7, the net cash outflow was €9.4 million.

Contribution to the Group’s results (starting February 2012)

A fully consolidated subsidiary since February 2012, Roam Data contributed the following to the Group’s consolidated results:

- €10.8 million to revenue;
- €5.6 million to profit from ordinary activities;
- €5.4 to profit for the period.

If the acquisition had occurred on January 1, 2012, the effect would have been to increase Group revenue by €11.8 million and reduce Group profit for the period by €5.9 million.

6.2 Acquisition of Ingenico Payment Systems LLC

Description of the transaction

On April 12, 2012, Ingenico finalized the acquisition of Ingenico Payment Systems LLC, an entity established to buy back assets from its distributor in Russia and the Commonwealth of Independent States (CIS). This acquisition is part and parcel of Ingenico’s strategy of increasing its direct presence in the payment terminal market of high-growth countries and consolidating its expansion. With its hardware offer and payment solutions, the Group now addresses the needs of hundreds of banks in the region. The newly acquired entity has been included in the EEMEA segment.

Transaction price

The Group acquired Ingenico Payment Systems LLC for a total of €6.9 million (€6.0 million in cash up front, plus a €1.0 million cash payment 12 months after the acquisition, yielding a discounted amount of €0.9 million). In addition, there is a provision for an earn-out amount of €2.3 million, to be paid if the cash flow generated by

Ingenico Payment Systems LLC between the acquisition date and the end of 2014 exceeds a specific threshold.

Given that cash acquired amounted to €0.1, the net cash outflow in 2012 was €5.9 million.

Contribution to the Group's results (starting April 2012)

Ingenico Payment Systems LLC contributed the following to the Group's consolidated results:

- €17.0 million to revenue;
- €3.8 million to profit from ordinary activities;
- €3.0 to profit for the period.

If the acquisition had occurred on January 1, 2012, the effect would have been to increase Group revenue by €22.4 million and Group profit for the period by €3.8 million.

6.3 Acquisition of an additional interest in Fujian Landi

On October 31, 2012, Ingenico Holding Asia entered into agreements under which it bought out the remaining 22-percent non-controlling interests in Fujian Landi, following the exercise of its put option for USD 60 million in cash along with the assumption of USD 3.5 million in debt, which may be settled by granting 1.16 percent of Ingenico Holding Asia's shares to Smartview. As a result, the Group is now the sole owner of Fujian Landi.

6.4 Acquisition of Mobile Payments Solutions N.V.

Description of the transaction

On June 13, 2012, Ingenico created Mobile Payments Solutions N.V. in the Netherlands. As of December 31, 2012, the Group held a 40-percent interest in Mobile Payment Solutions N.V., a company that owns all the shares in Nanjing ZTE-Ingenico Network Technology Co., Ltd in China. Through this entity, Ingenico will be engaged in developing comprehensive offers that can handle electronic payment transactions carried out *via* all delivery channels (terminals, Internet, telephone) and providing value-added services that boost the growth of China's points of sale, payment and service.

Transaction price

Ingenico S.A. paid a total of €9.0 million in cash consideration to subscribe for shares in Mobile Payment Solutions N.V.

Contribution to the Group's results (starting November 2012)

This holding has been accounted for using the equity method.

Mobile Payment Solutions N.V. made no contribution in 2012 to the Group's consolidated results (Share of profit of equity-accounted investees).

ACQUISITION OF SUBSIDIARIES NET OF CASH ACQUIRED, AND IMPACT ON CASH FLOW OF CHANGES IN THE GROUP'S OWNERSHIP INTERESTS IN CONTROLLED ENTITIES

(in millions of euros)	Cash outflows net of cash acquired	Changes in ownership interests in controlled entities
Roam Data	9.4	
Ingenico Payment Systems LLC	5.9	
Fujian Landi		46.7
Mobile Payment Solutions N.V.	9	
Xiring		4.8
Other	1.1	
TOTAL	**25.4**	**51.5**

Divestitures

6.5 Disposal of Korvac Holdings Pte Ltd

Description of the transaction

At the end of January 2012, Ingenico sold its entire 49-percent interest in Korvac Holdings Pte Ltd, a Singapore-based payment service provider operating in Southeast Asia.

Transaction price

The consideration for the transaction was €15.4 million, yielding a consolidated gain on disposal of €0.9 million. The corresponding receivable, which amounted to €7.6 million, was recognized in Other current assets at the December 31, 2012 reporting date. Korvac has undertaken to pay that amount in early 2013.

Contribution to the Group's results

Korvac, which was previously accounted for using the equity method, contributed the following to the Group's consolidated results:

- €0.2 million in January 2012;
- €3.0 million in 2011;
- €0.5 million in 2010.

Other transactions

During the first half of 2012, Ingenico finalized the buyout of the remaining non-controlling interests in Xiring for €4.8 million, thus moving to full ownership of the company (from its 91.8-percent stake at December 31, 2011).

Xiring was absorbed by Ingenico S.A. following a decision by the Board of Directors on June 29, 2012. Xiring's business is now included in the Central Operations segment.

In Italy, TNET was merged into Ingenico Italia Spa.

In Germany, paycom was merged with and into easycash GmbH.

In Spain, during the second half of 2012, Payment Consulting S.L.U. and Ingenico Services Iberia SA, were merged and absorbed by Ingenico Iberia SL.

In Turkey, Ingenico Elektronic Sanayi Dis Ticaret AS was merged and absorbed by Ingenico Ödeme Sistem Çözümieri AS.

NOTE 7 SEGMENT REPORTING

The criteria used to determine reportable segments are set out in Note 2, Accounting Principles and Methods, of the consolidated financial statements for the year ended December 31, 2012. 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 businesses that are not geographically based and whose development is coordinated by the head office (such as Fixed & Mobile Pte Ltd). The Group's approach is to centralize development of technology and sales activity for businesses serving an international customer base and distribute their offers through its own distribution channels. Accordingly, the Executive Committee decided to modify the way in which segment performance is monitored.

The reportable segments since December 31, 2011 are 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 U.S.A. and Canada),
  - Latin America (including Brazil and Mexico),
  - EEMEA (Central Europe, Africa and the Middle East).

The Group has continued to present segment information on this new basis, and has therefore restated the consolidated income statement data for 2010. 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:

	2012						
(in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	Central Europe/ Middle East/ Africa	Central operations	Consolidated
External revenue	**507,029**	**206,684**	**91,115**	**210,987**	**90,319**	**100,291**	**1,206,425**
Profit from ordinary activities	55,690	34,055	9,662	28,414	6,987	28,641	163,450
Profit from operations	70,775	32,661	4,785	10,886	2,557	(10,843)	164,447
Net finance costs							(13,913)
Share of profits of associates							(462)
Income tax							(49,805)
Profit for the period							**100,267**
Attributable to Ingenico S.A. Shareholders							**96,854**

	2011						
(in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	Central Europe/ Middle East/ Africa	Central operations	Consolidated
External revenue	**471,597**	**167,770**	**77,492**	**173,397**	**77,372**	**33,487**	**1,001,115**
Profit from ordinary activities	65,629	32,858	8,562	14,881	2,645	3,888	128,463
Profit from operations	70,775	32,661	4,785	10,886	2,557	(10,843)	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 S.A. 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	33,330	20,183	(8,785)	10,805	1,264	16,971	73,769
Net finance costs							(9,794)
Share of profits of associates							(1,671)
Income tax							(22,716)
Profit for the period							**39,589**
Attributable to Ingenico S.A. Shareholders							**39,575**

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:

	2012						
(in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	Central Europe/ Middle East/ Africa	Central operations	Consolidated
Depreciation and amortization expense	31,659	1,860	857	727	1,268	19,773	56,143
Additions to provisions, net of reversals and IFRS 2 expenses	(2,894)	2,050	(1,241)	906	101	4,293	3,216

	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	-	76,363
Additions to provisions, net of reversals and IFRS 2 expenses	9,453	922	3,829	89	(276)	-	14,017

Breakdown of segment assets and liabilities

Segment assets and liabilities are broken down as follows:

	2012						
(in thousands of euros)	SEPA	Asia-Pacific	North America	Latin America	Central Europe/ Middle East/ Africa	Central operations	Consolidated
Goodwill	202,792	53,982	18,382	5,705	18,239	252,077	551,176
Other non-group sector assets	337,797	200,545	82,157	86,426	43,615	307,361	1,057,901
Deferred tax assets							26,766
Current tax receivables							3,820
Financial assets							4,270
Derivative financial instruments							1,506
TOTAL ASSETS	**540,590**	**254,527**	**100,538**	**92,130**	**61,854**	**559,439**	**1,645,439**
Other non-group sector liabilities	125,566	113,242	8,610	55,149	(1,061)	128,463	429,968
Total equity							688,647
Deferred tax liabilities							38,666
Current tax liabilities							21,265
Financial liabilities							459,028
Derivative financial instruments							7,866
TOTAL LIABILITIES	**125,566**	**113,242**	**8,610**	**55,149**	**(1,061)**	**128,463**	**1,645,439**

	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	-	466,260
Other non-group sector assets	470,689	122,939	75,532	72,209	14,288	-	755,658
Deferred tax assets							22,883
Current tax receivables							10,582
Financial assets							4,561
Derivative financial instruments							3,461
TOTAL ASSETS	**784,952**	**184,905**	**121,534**	**80,548**	**49,979**	**-**	**1,263,405**
Other non-group sector liabilities	231,419	83,748	24,963	52,149	7,584	-	399,863
Total equity							545,567
Deferred tax liabilities							39,123
Current tax liabilities							8,633
Financial liabilities							268,003
Derivative financial instruments							2,216
TOTAL LIABILITIES	**231,419**	**83,748**	**24,963**	**52,149**	**7,584**	**-**	**1,263,405**

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:

	2012						
(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	(14,632)	(1,487)	(1,926)	(2,722)	(895)	(28,120)	(49,783)

	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)	-	(24,085)

NOTE 8 COSTS AND EXPENSES 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)	2012	2011	2010
Wages and salaries	183,878	150,381	133,834
Social security contributions	56,138	44,617	39,498
Retirement and other defined-benefit plan expenses	32	27	36
Provisions for retirement indemnities	487	494	311
Stock options and free shares	5,060	4,291	5,612
TOTAL	**245,595**	**199,809**	**179,292**

The sharp increase in wages and salaries in 2012 is primarily attributable to newly consolidated companies (e.g., Xiring, ROAM Data, Ingenico Payments Systems LLC) and to rising headcount elsewhere in the Group.

Depreciation and amortization expense and impairment break down as follows:

(in thousands of euros)	2012	2011	2010
Additions/(reversals)			
Amortization and impairment for intangible assets	40,707	36,343	39,992
Depreciation and impairment for property, plant and equipment	14,101	14,986	14,670
Goodwill impairment	-	750	21,845
Impairment of inventories	1,860	3,628	1,508
Impairment of trade receivables	(3,335)	4,312	1,395
Impairment of financial assets	766	(6)	54
TOTAL	**54,099**	**60,013**	**79,465**

Cost of sales breaks down as follows:

(in thousands of euros)	2012	2011	2010
Cost of terminals	(445,755)	(319,554)	(302,886)
Cost of services and software	(248,019)	(183,699)	(156,879)
Indirect costs*	-	(81,081)	(81,120)
TOTAL COST OF SALES	**(693,774)**	**(584,333)**	**(540,885)**

* *In 2012, indirect costs were divided up between Cost of terminals and Cost of services and software.*

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

(in thousands of euros)	2012	2011	2010
Amount of research and development capitalized	7,171	6,065	5,496
Total R&D expenditure (costs and investment)*	100,556	82,663	89,743
Share of capitalized r&d expenditure as %	**7%**	**7%**	**6%**

* *Net of a €2.6 million research tax credit and €6.1 million under other arrangements outside of France that have a similar impact on research and development expenses (as compared, respectively, with €2.3 million and €5.1 million in 2011, and €2.2 million and €3.6 million in 2010).*

NOTE 9 OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses include:

(in thousands of euros)	2012	2011	2010
Restructuring costs	(8,977)	(13,012)	(9,934)
Litigation and quality-related expenses		(3,277)	(168)
Gains/losses on disposal of assets	926	(923)	1,161
Disposal or retirement of property, plant and equipment or intangible assets	(314)		(883)
Impairment losses			(22,086)
Gains and losses on remeasurment of shareholdings	8,815		8,303
Other	547	(430)	487
TOTAL	**997**	**(17,642)**	**(23,121)**

In 2012, other operating income and expenses mainly comprise the following:

- Restructuring costs of €9.0 million, incurred in connection with the reorganization of the Group, that primarily include the following:
  - a cost of €4.9 million incurred in connection with the reorganization of the Group,
  - costs of €2.4 million incurred in connection with acquisitions and divestitures,
  - a cost of €1.4 million incurred to transfer the head office to Paris;
- The acquisition of additional ROAM Data shares led to an €8.8 million gain on fair value remeasurement of the Group's prior equity-accounted investment in the company;
- Lastly, the disposal of Korvac generated a consolidated gain of €0.9 million.

In 2011, other operating income and expenses mainly comprised the following:

- Restructuring costs of €13.0 million, incurred in connection with the reorganization of the Group, that primarily include the following:
  - €3.4 million in additional costs for the migration of applications to the Telium platform (chiefly in North America),
  - a cost of €2.0 million incurred on the disposal, abandon or reorganization of operations,
  - a cost of €3.4 million incurred in connection with a program to acquire assets in the U.S. payment market,
  - a cost of €4.2 million incurred during the period to transfer the head office to Paris, of which €0.7 million 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 mainly comprised the following:

- Restructuring costs of €9.9 million, incurred in connection with the reorganization of the Group, that primarily include the following:
  - €2.5 million in additional costs for the migration of applications to the Telium platform (chiefly in North America),
  - a cost of €1.7 million incurred on the disposal, abandon or reorganization of operations,
  - costs incurred at the time of the project of a taken-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.

NOTE 10 NET FINANCE COSTS

Net finance costs are broken down as follows:

(in thousands of euros)	2012	2011 Reported	2011 Restated*	2010 Reported	2010 Restated*
Other interest expense	(21,437)	(25,859)	(25,859)	(10,626)	(10,626)
Interest expense on finance lease contracts	(544)	(700)	(700)	(1,024)	(1,024)
Total interest expense	**(21,981)**	**(26,559)**	**(26,559)**	**(11,650)**	**(11,650)**
Income from cash and cash equivalents	5,665	3,876	3,876	501	501
Interest income on finance lease contracts	3,652	3,277	3,277	2,864	2,864
Net interest expense	**(12,664)**	**(19,406)**	**(19,406)**	**(8,285)**	**(8,285)**
Foreign exchange gains	40,456	50,024	50,024	56,351	56,351
Foreign exchange losses	(40,386)	(54,126)	(50,376)	(55,482)	(55,767)
Foreign exchange gains and losses, net	**69**	**(4,102)**	**(352)**	**869**	**584**
Gains/(losses) on other investments (remeasurement, disposal)	(2)	534	534	7	7
Other financial income	142	20	20	12	12
Other financial expenses	(1,459)	(4,125)	(4,125)	(2,397)	(2,397)
Other financial income and expenses, net	**(1,319)**	**(3,571)**	**(3,571)**	**(2,378)**	**(2,378)**
Net finance costs	**(13,913)**	**(27,079)**	**(23,329)**	**(9,794)**	**(10,079)**

* *As of 2012, translation differences arising on ordinary operating activities that are denominated in foreign currency (including the effective portion of any related hedging instruments) are recognized in Cost of sales, instead of in Net finance costs as in prior years. To facilitate comparison, the 2011 and 2010 income statements have been restated. Accordingly, exchange gains of €3,545,000 were reclassified from Net finance costs to Cost of sales in 2012, as were exchange losses of €3,750,000 in 2011 and exchange gains of €285,000 in 2010.*

Net finance costs in 2012 are broken down as follows:

Interest expense was related to short- and medium-term borrowings and to finance lease contracts. Interest expense on medium-term borrowings included €5.2 million on the €360 million syndicated loan facility put in place on August 5, 2011 and €13.5 on OCEANE convertible bonds. Interest expense on short-term borrowings, which amounted to €2.8 million, mainly involved a loan contracted by the Group's Brazilian subsidiary and repaid at December 31, 2012. Interest expense and interest income on finance lease contracts mainly involved easycash GmbH and Ingenico S.A.

Ingenico posted a net foreign exchange gain of €0.1 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 consisted mainly of the following:

- impairment of non-current financial assets;
- the expected costs and returns on defined benefits retirement plan assets (see Note 26, Provisions for retirement benefit obligations).

Net finance costs in 2011 were broken down 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 S.A.

Foreign exchange gains and losses showed a net loss of €4.1 million. It was 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 comprised:

- changes in the fair value of financial instruments which did 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 showed 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 scommitments with minoristy shareholders and of post-employment benefit obligations (see Note 26, Provisions for retirement benefit obligations).

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

Items recognized in profit or loss *(in thousands of euros)*	**2012**	**2011** Reported	**2011** Restated	**2010** Reported	**2010** Restated
Interest income on bank deposits	5,739	3,775	3,775	367	367
Interest income on finance lease contracts	3,652	3,277	3,277	2,864	2,864
Income from sale of financial assets held for trading	23	602	602	74	74
Change in fair value of financial assets held for trading	-	332	332	-	-
Foreign exchange gains	9,017	49,127	49,127	56,353	56,353
Ineffective portion of the change in fair value of exchange rate cash flow hedging instruments	31,438	565	565	-	-
Ineffective portion of the change in fair value of interest rate cash flow hedging instruments	1,118				
Others	45	54	54	80	80
Financial income	**51,033**	**57,732**	**57,732**	**59,738**	**59,738**
Interest expense on borrowings stated at amortized cost	(21,442)	(27,195)	(27,195)	(10,661)	(10,661)
Interest expense on finance lease contracts	(544)	(700)	(700)	(1,024)	(1,024)
Unwinding of discounting	(605)	(1,138)	(1,138)	(1,269)	(1,269)
Change in fair value of financial assets held for trading	(461)	-	-	(546)	(546)
Foreign exchange losses	(10,786)	(54,126)	(50,376)	(53,776)	(54,061)
Ineffective portion of the change in fair value of exchange rate cash flow hedging instruments	(29,600)	-	-	(1,160)	(1,160)
Ineffective portion of the change in fair value of interest rate cash flow hedging instruments	(655)	(1,582)	(1,582)	(1,035)	(1,035)
Others	(854)	(70)	(70)	(61)	(61)
Financial expense	**(64,946)**	**(84,811)**	**(81,061)**	**(69,532)**	**(69,817)**
Finance costs	**(13,913)**	**(27,079)**	**(23,329)**	**(9,794)**	**(10,079)**

Items directly recognized in other comprehensive income *(in thousands of euros)*	**2012**	**2011** Reported	**2011** Restated	**2010** Reported	**2010** Restated
Effective portion of the change in fair value of exchange rate cash flow hedging instruments	(3,659)	3,131	3,131	(46)	(46)
Effective portion of the change in fair value of interest rate cash flow hedging instruments	(4,716)	(929)	(929)	(659)	(659)
Recognized in fair value reserves	**(8,375)**	**2,202**	**2,202**	**(705)**	**(705)**

NOTE 11 INCOME TAX

Income tax expense on the earnings of consolidated companies:

(in thousands of euros)	2012	2011	2010
Current tax	(53,915)	(31,102)	(28,096)
Deferred tax	4,110	8,551	5,381
TOTAL	**(49,805)**	**(22,551)**	**(22,715)**

In 2012, income tax expense for the period mainly reflects:

- current tax payable in Germany, Brazil, the United Kingdom, China, Italy and France;
- a credit to deferred tax expense from the recognition of deferred tax assets – mainly in France, Brazil 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.

Pursuant to Article 235 ter ZCA of the French General Tax Code, all dividend distributions to Ingenico S.A. shareholders other than stock dividends are now subject to a supplementary contribution equal to 3 percent of the amounts distributed.

In 2011, income tax expense for the period mainly reflected 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.

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.

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 2012, the amount of CVAE so classified was €2.5 million, against €2.0 million in 2011. 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, 2012, 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)	2012	2011	2010
Profit for the period (excl. Share of associates' profit)	**100,728**	**61,191**	**41,260**
Income tax expense	**(49,805)**	**(22,551)**	**(22,715)**
Profit before income tax	**150,533**	**83,742**	**63,975**
Tax rate in France	36.10%	36.10%	34.43%
Theoretical tax expense	(54,342)	(30,231)	(22,027)
Difference between the French tax rate and that of foreign subsidiaries	13,405	10,560	5,550
Tax losses and temporary differences of the year not recognized	(8,157)	(1,569)	(5,033)
Prior period temporary differences and tax losses recognized as deferred tax assets in the period	753	1,507	3,085
Use of prior period tax losses not recognized as deferred tax assets	2,051	2,227	1,049
Tax credits	1,855	18	(1,017)
Effect of permanent differences and other	(5,371)	(5,063)	(4,322)
TOTAL	**(49,805)**	**(22,551)**	**(22,715)**
Effective tax rate	33.1%	26.9%	35.5%

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, 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) (1)	(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) (2)	(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)**
Deferred tax recognized in profit or loss	2,256	1,684	3,940	170	4,110
Deferred tax recognized in equity and on business combinations	-	253	253	4,763 (3)	5016
Translation differences	(60)	(810)	(870)	38	(832)
Other movements		(60)	(60)	60	-
At december 31, 2012	**5,478**	**21,287**	**26,766**	(38,666)	**(11,900)**

(1) Includes deferred tax liabilities resulting from the allocation of the acquisition price of the companies Fixed and Mobile Pte, Ingenico Services Iberia and Ingenico Prepaid Services France to these entities' identifiable assets, liabilities and contingent liabilities.

(2) Includes a €12.7 million deferred tax liability recognized on the equity component of the OCEANE bonds issued during the period.

(3) Includes a €2.2 million deferred tax liability resulting from the allocation of the acquisition price for ROAM Data and Ingenico LLC Russia to these entities' identifiable assets, liabilities and contingent liabilities; a €4 million deferred tax asset arising on the carry-forward of Xiring tax losses when the Group consolidated this entity; and a €2.8 million deferred tax asset related to the effective portion of hedging instruments.

Breakdown by type of temporary difference

(in thousands of euros)	2012	2011	2010
Deferred tax assets by type of temporary difference			
Property, plant and equipment and other intangible assets	5,926	5,512	2,496
Employee benefits	4,088	6,646	4,423
Inventories, receivables, payables and provisions	26,551	23,995	23,660
Unutilized tax losses and credits	5,616	5,487	3,804
Other (including financial instruments)	3,040	1,431	1,826
Deferred tax assets	**45,221**	**43,072**	**36,208**
Netting effect	(18,455)	(19,570)	(13,325)
TOTAL DEFERRED TAX ASSETS	**26,766**	**23,502**	**22,883**
Deferred tax liabilities by type of temporary difference			
Property, plant and equipment and other intangible assets	(31,352)	(37,263)	(39,736)
Employee benefits	(56)	(56)	(119)
Inventories, receivables, payables and provisions	(23,915)	(23,912)*	(10,372)
Unutilized tax losses and credits	-	-	-
Other (including financial instruments)	(1,797)	(2,032)	(2,220)
Deferred tax liabilities	**(57,120)**	**(63,263)**	**(52,448)**
Netting effect	18,455	19,570	13,325
TOTAL DEFERRED TAX LIABILITIES	**(38,666)**	**(43,694)**	**(39,123)**
TOTAL NET	**(11,900)**	**(20,192)**	**(16,240)**

* *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)	2012	2011	2010
Deferred tax from tax losses and tax credits	16,138	9,792	13,468
Deferred tax from temporary differences	8,157	6,785	6,668
TOTAL	**24,295**	**16,577**	**20,137**

NOTE 12 GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

(in thousands of euros)	2012	2011	2010
At January 1	**529,022**	**466,260**	**414,227**
Investments	26,678	52,243	48,866
Impairment losses	-	-	(22,086)
Translation differences	(500)	1,387	4,017
Modifications	(4,024)	9,132	21,236
Others	-	-	-
At December 31	**551,176**	**529,022**	**466,260**

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 reportable segments since 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.

In 2011, 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 businesses that are not geographically based and whose development is coordinated by the head office.

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)*	2012		
	Gross carrying amount	Total impairment losses	Net carrying amount
SEPA	205,080	(2,286)	202,794
Asia / Pacific	53,981	-	53,981
North America	39,773	(21,392)	18,381
Latin America	5,705	-	5,705
Central Europe / Middle East / Africa	18,241	-	18,241
Central Operations	252,074	-	252,074
TOTAL	**574,854**	**(23,678)**	**551,176**

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**

In 2012

The increase in goodwill was due primarily to acquisitions carried out in 2012: €25.6 million on the Roam Data acquisition and €1.9 million on the Ingenico Payment Systems LLC acquisition.

Other changes in goodwill resulted from the final remeasurement at fair value of the Xiring assets acquired and Xiring liabilities assumed by the Group, which reduced goodwill by €4.0 million (see above, Adjustments in the period to provisional goodwill).

Acquisitions and control

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

Transaction costs on 2012 acquisitions amounted to €1.6 million, and were recognized in Other operating expenses.

ROAM Data

Ingenico gained control of Roam Data in February 2012. The Group, which previously held a 46-percent stake in the company, thus acquired an additional 38-percent interest for a total of €36.1 million. Ingenico granted non-controlling shareholders a put option on the remaining shares, representing 16 percent of Roam Data's capital.

Pursuant to the revised IFRS 3, the goodwill arising on this business combination achieved in stages is measured as the difference between the aggregate of the following:

- the fair value of Ingenico's previously held equity interest (46 percent);
- the consideration transferred;
- and all non-controlling interests, less the net assets acquired (the fair value of the identifiable assets and liabilities).

The result was an upward adjustment of €8.8 million to the fair value of Ingenico's initial investment that was recognized in Other operating income. This gain was calculated as the difference between the fair value of Ingenico's initial equity interest, determined on the basis of the consideration paid to obtain exclusive control of Roam Data, and its carrying amount.

A provisional allocation of the consideration was made in the second half of 2012 and will be finalized within twelve months of Ingenico's move to a controlling interest.

This fair value measurement of intangible assets led Ingenico to identify assets with a total value of €0.9 million that had not been recognized in Roam Data's accounts:

- the customer portfolio, valued at €0.8 million, to be amortized over 12 years;
- technology developed, valued at €0.5 million, to be amortized over 3 years;
- deferred tax liabilities of €0.4 million.

The Roam Data acquisition has been accounted for using the partial goodwill method.

Goodwill has been measured as the difference between the following:

(1) the cost of acquiring an additional 38-percent interest, which was €36.1 million:
  - and the carrying amount of non-controlling (*i.e.*, minority) interests, which was €4.3 million,
  - and the fair value of Ingenico's previously held 46-percent equity interest, estimated at €12.6 million;

(2) less the fair value of the identifiable assets acquired and liabilities assumed, which totalled €28.0 million.

Goodwill therefore amounts to €25.0 million.

Roam Data has been included in the Central Operations CGU.

Ingenico Payment Systems LLC

The consideration paid for Ingenico Payment Systems LLC was €9.2 million.

A provisional allocation of the consideration paid was made in the second half of 2012 and will be finalized within twelve months of Ingenico's move to a controlling interest.

The acquiree's intangible assets were measured at fair value.

This led Ingenico to identify intangible assets with a total value of €7.0 million that had not been recognized in the accounts of Ingenico Payment Systems LLC:

- the customer portfolio, valued at €8.8 million, to be amortized over 10 years;
- deferred tax liabilities of €1.8 million.

The fair value of the net assets identifiable at the acquisition date was €7.6 million.

Goodwill therefore amounts to €1.6 million.

Ingenico Payment Systems LLC has been included in the Central Europe/Africa/Middle East CGU.

Remeasurement of goodwill

At the end of 2011, Ingenico recorded goodwill of €40.2 million to reflect the estimated fair value at December 31, 2011 of Xiring's assets and liabilities at the time of acquisition.

In 2012, during the Xiring integration phase and within 12 months of the acquisition, the Group made a €4.0 million downward adjustment to the fair value of the assets and liabilities on the opening balance sheet. The primary adjustments involved the recognition of €4.0 million in tax loss carry-forwards; current tax liabilities of €1.0 million that were related to periods prior the acquisition but had not been recognized previously; and remeasurement at fair value of the net assets identifiable at the acquisition date, resulting in an after-tax increase of €0.8 million.

This led Ingenico to identify intangible assets with a total value of €10.4 million that had not been recognized in Xiring's accounts:

- The customer portfolio, valued at €8.8 million, to be amortized over 14 years;
- Technology, valued at €4.7 million, to be amortized over 5 years;
- Inventory, valued at €0.8 million, to be amortized over 3 months;
- A brand, valued at €1.5 million, to be amortized over 10 years;
- Deferred tax liabilities of €5.4 million.

As of December 31, 2012, goodwill therefore amounts to €36.2 million.

Impairment losses

Impairment tests conducted in the fourth quarter of 2012 did not lead the Group to recognize any goodwill impairment.

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).

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).

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:

	2012								
Segments	**SEPA**			**Asia / Pacific**	**North America**	**Latin America**	**Central Europe / Middle East / Africa**	**Central Operations**	
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	51,365	2,616	53,981	18,381	5,705	18,241	252,074	551,176
Valuation method for the cash generating unit	Value in use	Fair value less costs to sell*	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	9.00%		12.08%		9.65%	12.23%	15.00%	9.80%	

* *Based on the acquisition of 22% in Landi in 2012.*

	2011								
Segments	**SEPA**			**Asia / Pacific**	**North America**	**Latin America**	**Central Europe / Middle East / Africa**	**Central Operations**	
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*	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%	

* *Based on the acquisition of 10% in Landi in 2011.*

	2010														
Segments								SEPA			Asia Pacific	North America	Latin America	Central Europe / Middle East / Africa	
Cash-generating units	**Northern Europe**	**Germany**	**France**	**Spain**	**Italy**	**Poland**	**Moneyline Banking Systems**	**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, 2011	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%		12.15%	12.15%		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.

Applying 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. In the North America Region, a 100 basis-point increase in the discount rate or a 100 basis-point decrease in the long-term growth rate would give the cash generating unit greater value than the sum of the assets of which it is composed. The Group remains highly optimistic about the medium-term outlook in North America, taken into account an assumption of an annual average business growth of 9 percent in the coming years.

Sensitivity of recoverable amounts

	December 31, 2012				
	Discount rate		Perpetuity growth rate		Cash flow
	Rate applied (%)	Discount rate increase required for recoverable amount to equal carrying amount (%)	Rate applied (%)	Perpetutity growth rate decrease required for recoverable amount to equal carrying amount (%)	Cash flow decrease required for recoverable amount to equal carrying amount (%)
SEPA	9.00%	(1)	1.00%	(1)	(1)
China	(2)	(2)	(2)	(2)	(2)
Pacific	12.08%	(1)	1.00%	(1)	(1)
North America	9.65%	1.23%	1.00%	-3.01%	-12%
Latin America	12.23%	(1)	1.00%	(1)	(1)
Central Europe / Middle East / Africa	15.00%	1.88%	1.00%	-5.39%	-13%
Central Operations	9.80%	(1)	1.00%	(1)	(1)

(1) *At December 31, 2012, the recoverable amounts for SEPA, Pacific, Latin America and Central Operations were significantly greater than the carrying amounts. This precluded the need to increase the discount rate, decrease the perpetuity growth rate or reduce cash flow, which would have been necessary to ensure that the recoverable amounts for SEPA, Pacific, Latin America and Central Operations, respectively, equalled their carrying amounts.*

(2) *At December 31, 2012, fair value less costs to sell was used to determine recoverable amount in China.*

Business forecasts are based on the business plans developed by the CFOs of the various cash generating units. Group financial management has reviewed these plans, performing stress tests on the assumptions as to long-term growth and discount rates.

Other intangible assets

	2012			
(in thousands of euros)	Licenses, trademarks, technology	Development expenses (incurred internally)	Other intangible assets	Total
Gross amount				
At January 1	**41,318**	**74,551**	**201,131**	**317,000**
Investments	8,209	7,171	10,143	25,523
Disposals	(242)	-	(585)	(827)
Changes in consolidation scope*	428	290	10,084	10,802
Translation differences	(154)	(82)	(194)	(430)
Others	16,316	(1,437)	(18,760)	(3,881)
At December 31	**65,875**	**80,493**	**201,819**	**348,187**
Accumulated amortization and impairment losses				
At January 1	**(25,047)**	**(52,315)**	**(87,686)**	**(165,048)**
Investments	(7,098)	(10,091)	(23,518)	(40,707)
Disposals	205	-	379	584
Changes in consolidation scope	-	-	-	-
Translation differences	176	83	(56)	203
Others	(13,461)	(761)	19,432	5,210
At December 31	**(45,225)**	**(63,084)**	**(91,449)**	**(199,758)**
Carrying amount				
At January 1	**16,271**	**22,236**	**113,445**	**151,952**
At December 31	**20,650**	**17,409**	**110,370**	**148,429**

* *The change in consolidation scope in 2012 reflects the acquisitions of ROAM Data in February 2012 and Russia Distribution in April 2012.*

Amortization expense on intangible assets identified during the allocation of the acquisition price for the 2012 business combinations is as follows:

- an expense of €210.000 on Roam Data assets for the period from March 1, 2012 to December 31, 2012;
- an expense of €570.000 on Ingenico Payment Systems LLC assets for the period from May 1, 2012 to December 31, 2012.

The 2012 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, Roam Data, Russia Distribution)						Total amortization for the period
(in thousands of euros)	Carrying amount at December 31, 2011	Amortization in 2012	Carrying amount at Décember 31, 2012	Carrying amount at December 31, 2011	Amortization in 2012	Carrying amount at Décember 31, 2012	Carrying amount at December 31, 2011	Acquisitions	Amortization in 2012	Réévaluations	Translation differences	Carrying amount at Décember 31, 2012	
Intangible assets													
Concessions, patents & similar rights													
Hardware and software technology under development	6,860	(3,430)	3,430	-	-	-	-	-	-		-	-	(3,430)
Existing hardware and software technology	-	-	-	1,976	(1,208)	768	8,543	513	(2,003)	(1,200)	87	5,940	(3,211)
Software applications	2,836	(2,269)	567	-	-	-	-	-	-		-	-	(2,269)
Brand name	-	-	-	-	-	-	1,438	-	(170)	58	-	1,326	(170)
Other intangible assets													
Long term customer contracts	22,902	(3,664)	19,238	53,986	(7,751)	46,235	22,512	9,633	(5,392)	2,605	(282)	29,076	(16,807)
TOTAL INTANGIBLE ASSETS	**32,598**	**(9,363)**	**23,235**	**55,962**	**(8,959)**	**47,003**	**32,493**	**10,146**	**(7,565)**	**1,463**	**(195)**	**36,342**	**(25,887)**
Inventories	-	-	-	-	-	-	564	-	(564)	-	-	-	(564)
TOTAL IDENTIFIED AND ALLOCATED ASSETS	**32,598**	**(9,363)**	**23,235**	**55,962**	**(8,959)**	**47,003**	**33,057**	**10,146**	**(8,129)**	**1,463**	**(195)**	**36,342**	**(26,451)**

At December 31, 2012, there was no indication of impairment of other intangible assets.

(in thousands of euros)	2011			
	Licenses, trademarks, technology	Development expenses (incurred internally)	Other intangible assets	Total
Gross amount				
At January 1	**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*	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 1	**(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	(65)	986
At December 31	**(25,047)**	**(52,314)**	**(87,686)**	**(165,048)**
Carrying amount				
At January 1	**8,612**	**24,983**	**123,216**	**156,810**
At December 31	**16,271**	**22,236**	**113,444**	**151,952**

* *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 1 December 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 intangible assets	Total
Gross amount				
At January 1	**27,350**	**65,369**	**170,736**	**263,456**
Investments	1,403	5,337	4,223	10,963
Disposals	(283)	-	(30)	(313)
Changes in consolidation scope*	3,710	-	13,331	17,041
Translation differences	1,038	477	1,347	2,863
Others	(2,833)	(1,579)	2,972	(1,440)
At December 31	**30,386**	**69,605**	**192,580**	**292,570**
Accumulated amortization and impairment losses				
At January 1	**(17,022)**	**(36,298)**	**(43,587)**	**(96,907)**
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 1	**10,329**	**29,071**	**127,149**	**166,549**
At December 31	**8,612**	**24,983**	**123,216**	**156,810**

* *The change in consolidation scope in 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 was 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			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, 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)**

NOTE 13 PROPERTY, PLANT AND EQUIPMENT

	2012				
(in thousands of euros)	Land and buildings	Plant and equipment	Other assets	Assets in progress	Total
Gross amount					
At January 1	**2,901**	**54,097**	**30,878**	**4,631**	**92,507**
Investments	2,571	4,698	15,704	1,284	24,257
Disposals	(2,564)	(223)	(4,661)	(4,511)	(11,959)
Changes in consolidation scope	-	-	204	-	204
Translation differences	(137)	(127)	(320)	(19)	(603)
Others	7,073	(19,792)	(3,020)	(874)	(16,613)
At December 31	**9,844**	**38,653**	**38,785**	**511**	**87,793**
Accumulated amortization and impairment losses					
At January 1	**(1,817)**	**(39,594)**	**(16,872)**	**-**	**(58,283)**
Amortization	144	(4,940)	(8,984)	(321)	(14,101)
Disposals and impairment losses	1,692	251	3,816	-	5,759
Changes in consolidation scope	-	-	-	-	-
Translation differences	52	233	250	-	535
Others	(4,913)	12,690	7,812	308	15,897
At December 31	**(4,842)**	**(31,360)**	**(13,978)**	**(13)**	**(50,193)**
Carrying amount					
At January 1	**1,084**	**14,503**	**14,006**	**4,631**	**34,224**
At December 31	**5,002**	**7,293**	**24,807**	**498**	**37,600**

	2011				
(in thousands of euros)	Land and buildings	Plant and equipment	Other assets	Assets in progress	Total
Gross amount					
At January 1	**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 1	**(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 1	**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 1	**2,319**	**44,835**	**33,596**	**22**	**80,772**
Investments	178	6,445	6,271	293	13,187
Disposals	(58)	(950)	(10,238)	(15)	(11,261)
Changes in consolidation scope	24	1,278	1,184	7	2,494
Translation differences	96	598	2,433	2	3,129
Others	-	(803)	(1,081)	(14)	(1,898)
At December 31	**2,559**	**51,403**	**32,165**	**295**	**86,422**
Accumulated amortization and impairment losses					
At January 1	**(1,006)**	**(28,508)**	**(18,182)**	**-**	**(47,695)**
Amortization	(405)	(7,375)	(6,869)	-	(14,649)
Disposals and impairment losses	56	721	6,533	-	7,309
Changes in consolidation scope	1	-	-	-	1
Translation differences	(55)	(598)	(1,470)	-	(2,123)
Others	-	1,074	935	-	2,009
At December 31	**(1,410)**	**(34,685)**	**(19,052)**	**-**	**(55,147)**
Carrying amount					
At January 1	**1,313**	**16,327**	**15,414**	**22**	**33,076**
At December 31	**1,149**	**16,718**	**13,113**	**295**	**31,275**

NOTE 14 INVESTMENTS IN EQUITY-ACCOUNTED INVESTEES

DETAIL OF THE INVESTMENTS IN EQUITY-ACCOUNTED INVESTEES

(in thousands of euros)	Roam Data	Korvac	Mobile Payment Solutions N.V.	Total
Investments in equity-accounted investees (%) 2010	43.92%	49.00%		
Investments in equity-accounted investees (%) 2011	43.92%	49.00%		
Investments in equity-accounted investees (%) 2012	100.00%	0.00%	40.00%	
At January 1, 2011	**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**
Investment	**-**	**-**	**9,000**	**9,000**
Share of profit or loss	(250)	(212)	-	(462)
Translation differences	(83)	362	-	279
Change in consolidation method*	(3,747)	-	-	(3,747)
Sale	-	(14,335)	-	(14,335)
At December 31, 2012	**-**	**-**	**9,000**	**9,000**

* *Change in consolidation method following the transfer of control in 2012, now fully consolidated.*

2012

During the second half of 2010, the Group acquired a stake in the company Mobile Payment Solutions N.V. in the Netherlands.

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 shareholder, the equity method of accounting is applied.

Impairment losses

At December 31, 2012, no impairment loss on these investments was recognized in the Group's consolidated financial statements.

2011

Call options to acquire outstanding shares

The call option on Roam Data shares was 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.

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 a stake in Korvac Holdings Pte. Ltd. in Singapore through its subsidiary Ingenico Holdings Asia.

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.

NOTE 15 FINANCIAL ASSETS

At December 31, 2012, 2011 and 2010, financial assets included security deposits and guarantees, equity interests in non-consolidated companies and related receivables.

(in thousands of euros)	2012	2011	2010
Non-current financial assets	4,270	4,667	4,561
TOTAL	**4,270**	**4,667**	**4,561**

NOTE 16 OTHER NON-CURRENT ASSETS

At December 31, 2012, 2011 and 2010, other non-current assets are broken down as follows:

(in thousands of euros)	2012	2011	2010
Receivables	199	379	314
Finance lease receivables	19,655	17,828	17,747
Tax receivables other than current income tax	-	2	23
Income tax receivables (carry-backs)	1,075	1,748	1,110
Prepayments	228	396	1,265
TOTAL	**21,157**	**20,353**	**20,460**

Other non-current assets are all due in over 12 months.

NOTE 17 INVENTORIES

(in thousands of euros)	2012	2011	2010
Raw materials and consumables	25,851	32,275	26,780
Finished products	104,218	86,036	97,676
Write-downs on raw materials and consumables	(7,895)	(7,273)	(4,923)
Write-downs on finished products	(16,945)	(16,139)	(14,036)
NET	**105,229**	**94,899**	**105,497**

The increase in gross inventories was due to the inclusion of Ingenico Payment Systems LLC inventories (€3.6 million) and to rising business activity in China and the United States. The inventory write-down rate showed almost no change compared with 2011.

NOTE 18 TRADE AND RELATED RECEIVABLES

Trade and related receivables break down as follows:

(in thousands of euros)	2012	2011	2010
Advances and down-payments to suppliers	3,310	2,958	1,220
Trade receivables on the sales of goods and services	319,217	323,805	251,134
Finance lease receivables	15,514	12,690	8,088
Employee-related receivables	1,135	(450)	384
Tax receivables other than current income tax	14,907	21,529	15,827
Current accounts receivables	1	839	386
Other receivables	1,296	2,188	1,231
Write-downs for bad debt	(21,921)	(27,590)	(24,125)
Write-downs for finance lease receivables	(1,230)	(625)	(8)
Write-downs for other receivables	(5)	(15)	(15)
TOTAL	**332,225**	**335,329**	**254,123**

The amount of trade receivables showed almost no change with respect to December 2011.

The ageing schedule of trade receivables is as follows:

			2012		
	Total	Not due	Overdue		
(in thousands of euros)			< 120 days	120 - 180 days	> 180 days
Trade receivables	319,217	237,205	64,797	3,321	13,894
Write-downs for bad debt	(21,921)	(215)	(11,246)	(663)	(9,798)
NET	**297,296**	**236,991**	**53,551**	**2,658**	**4,096**

Receivables overdue in excess of 180 days without write-downs (amounting to €4.1 million) are primarily attributable to easycash (€2.8 million) and Ingenico India (€0.6 million). None of these receivables represents a litigious situation, and the Group does not expect any difficulty in recovering the amounts due.

			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 (€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 (€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.

NOTE 19 RECONCILIATION OF WORKING CAPITAL ITEMS PRESENTED IN THE BALANCE SHEET AND THE CASH FLOW STATEMENT

		2012				
Balance sheet item		**31/12/2011**	**Changes in consolidation scope**	**Net Change in working capital**	**Translation differences and other movements**	**31/12/2012**
Inventories		**94,899**				**105,229**
Working capital items		94,899	11	11,727	(1,408)	105,229
Changes in inventories in the cash-flow statement	**(1)**	**94,899**	**11**	**11,727**	**(1,408)**	**105,229**
Other non-current assets		**20,353**				**21,157**
Working capital items	Other non-current assets	18,604	141	1,688	(353)	20,081
Non-WC items	*Other non-operating receivables*	1,748				1,075
Trade and related receivables		**335,329**				**332,224**
Working capital items	Trade receivables	311,239	385	(15,722)	7,274	303,176
Working capital items	***Other operating receivables***	24,090	174	14,729	(9,944)	29,048
Non-WC items	*Other non-operating receivables*					
Other current assets		**11,209**				**20,111**
Working capital items	Other operating receivables	10,892	93	812	326	12,123
Non-WC items	*Other non-operating receivables*	316				7,975
Change in receivables in the cash-flow statement	**(2)**	**364,826**	**793**	**1,507**	**(2,696)**	**364,428**
Other non-current liabilities		**11,869**				**20,622**
Working capital items	Trade payables	11,366	-	11,542	(2,826)	20,082
Non-WC items	*Other non-operating liabilities*	502				541
Trade and related payables		**297,331**				**280,559**
Working capital items	Trade payables	227,044	1,044	(16,183)	(4,907)	206,998
Working capital items	Other current liabilities	70,238	-	2,625	649	73,561
Non-WC items	*Other non-operating liabilities*	50	-			50
Other liabilities		**79,855**				**85,808**
Working capital items	Other liabilities	44,016	194	18,102	4,588	66,901
Non-WC items	*Other non-operating liabilities*	35,839				18,909*
Change in liabilities in the cash-flow statement	**(3)**	**352,664**	**1,238**	**16,086**	**(2,496)**	**367,542**
Change in net working capital	**(1)-(2)+(3)**	**(107,062)**	**435**	**2,852**	**1,608**	**(102,116)**

* *Put options of Roam Data et Fixed & Mobile Pte Ltd. (see Note 31, Other liabilities).*

			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**
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**
Working capital items	Other non-current assets	19,350	1,237	(1,946)	(37)	18,604
Non-WC items	*Other non-operating receivables*	1,110				1,749
Trade and related receivables		**254,123**				**335,329**
Working capital items	Trade receivables	236,311	8,843	65,576	507	311,239
Working capital items	***Other operating receivables***	17,812	1,149	5,345	(216)	24,090
Non-WC items	*Other non-operating receivables*	-				-
Other current assets		**7,440**				**11,209**
Working capital items	Other operating receivables	7,146	398	3,274	74	10,892
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**
Working capital items	Trade payables	10,498	746	(11)	134	11,367
Non-WC items	*Other non-operating liabilities*	5,033				502
Trade and related payables		**267,730**				**297,332**
Working capital items	Trade payables	207,692	6,823	14,245	(1,716)	227,044
Working capital items	Other current liabilities	60,025	1,042	8,650	521	70,238
Non-WC items	*Other non-operating liabilities*	13				51
Other liabilities		**73,816**				**79,855**
Working capital items	Other liabilities	36,106	4,093	3,601	216	44,016
Non-WC items	*Other non-operating liabilities*	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)**

* *Put options of Fujian Landi and Fixed & Mobile Pte. Ltd.. (see Note 31, Other liabilities).*

			2010			
Balance sheet item		31/12/2009	Changes in consolidation scope	Net Change in working capital	Translation differences and other movements	31/12/2010
Inventories		74,230				105,497
Working capital items		74,230	364	22,902	8,001	105,497
Changes in inventories in the cash-flow statement	**(1)**	**74,230**	**364**	**22,902**	**8,001**	**105,497**
Other non-current assets		**14,730**				**20,460**
Working capital items	Other non-current assets	13,746	1,066	4,415	124	19,350
Non-WC items	*Other non-operating receivables*	985				1,110
Trade and related receivables		**225,327**				**254,123**
Working capital items	Trade receivables	203,260	15,151	16,818	1,083	236,311
Working capital items	***Other operating receivables***	19,559	4,463	(7,211)	1,001	17,812
Non-WC items	*Other non-operating receivables*	2,508				-
Other current assets		**5,825**				**7,440**
Working capital items	Other operating receivables	5,085	2,558	(683)	186	7,146
Non-WC items	*Other non-operating receivables*	739				294
Change in receivables in the cash-flow statement	**(2)**	**241,650**	**23,239**	**13,337**	**2,394**	**280,619**
Other non-current liabilities		**10,385**				**15,531**
Working capital items	Trade payables	6,571	333	2,127	1,468	10,498
Non-WC items	*Other non-operating liabilities*	3,814				5,033
Trade and related payables		**188,162**				**267,730**
Working capital items	Trade payables	133,622	25,074	46,399	2,770	207,692
Working capital items	Other current liabilities	53,562	3,416	595	2,452	60,025
Non-WC items	*Other non-operating liabilities*	978				13
Other liabilities		**47,758**				**73,816**
Working capital items	Other liabilities	28,625	151	3,288	4,041	36,106
Non-WC items	*Other non-operating liabilities*	19,133				37,710
Change in liabilities in the cash-flow statement	**(3)**	**222,380**	**28,974**	**52,410**	**10,730**	**314,321**
Change in net working capital	**(1)-(2)+(3)**	**(93,500)**	**5,372**	**16,171**	**335**	**(71,796)**

NOTE 20 CURRENT TAX RECEIVABLES AND OTHER CURRENT ASSETS

(in thousands of euros)	2012	2011	2010
Prepayments	12,123	10,893	7,146
Loans, securities and other receivables*	7,988	316	294
TOTAL	**20,111**	**11,209**	**7,440**
CURRENT TAX RECEIVABLES	**3,820**	**9,359**	**10,582**

* *In 2012, this line item includes a receivable of €7.6 million related to the disposal of Korvac (see Note 6, Acquisitions and divestitures).*

NOTE 21 ASSETS HELD FOR SALE AND LIABILITIES IN DISPOSAL GROUPS

At the December 31, 2012 reporting date, there is no asset held for sale nor liabilities in disposal groups.

NOTE 22 TOTAL EQUITY

Number of outstanding shares

	2012	2011	2010
Shares issued at January 1	**51,980,303**	**51,511,971**	**48,637,135**
Shares issued in connection with options exercised and dividend distributions	432,060 (1)	468,332	507,349
Shares issued in connection with Xiring merger(2)	75,295	-	-
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	**52,487,658**	**51,980,303**	**51,511,971**
Treasury shares at December 31	**252,637**	**868,484**	**875,443**

(1) Includes 423,144 shares distributed as stock dividends; see Note V, Consolidated statements of changes in equity.
(2) Shares issued in connection with the Xiring merger, as decided by the Chairman of the Board of Directors on July 4, 2012.

At December 31, 2012, Ingenico's authorized share capital consisted of 52.487.658 shares with a par value of €1 each.

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

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

On July 4, 2012, the Chairman of the Board of Directors recorded the completion of the merger with Xiring. He then recorded an increase in the Company's share capital through the issuance of 75,295 new, fully paid-up shares to Xiring's non-Ingenico shareholders at a ratio of one Ingenico share for two Xiring shares, as provided for in the merger agreement.

Treasury shares

(in euros)	2011	Acquisitions	Disposals	Other	2012
Number of shares	868,484	2,462,879	(2,549,803)	(528,923)	252,637
Average purchase price	20.36	37.47	37.06	18.09	23.35
TOTAL	**17,683,462**	**92,272,575**	**(94,487,246)**	**(9,569,127)**	**5,899,664**

(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**

(en 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**

Shares repurchased to be awarded or retired

In 2012, two delegations were used by the Board:

- the first given by the Shareholders' Meeting of May 3, 2012 replacing that of April 28, 2011 (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 Ingenico stock repurchased by the Company to be granted under free share programs or to reduce the share capital totaled 768,989 shares at December 31, 2011. At December 31, 2012, there were 244,241 treasury shares at an average purchase price of €22.68, reflecting the buyback of 4,175 shares in 2012 and the use of 528,923 shares to meet obligations to beneficiaries of free share plans and the joint investment plan vested during the year.

In 2011, the portfolio amounted to 823,699 treasury shares at December 31, 2010 and to 768,989 treasury shares at December 31, 2011 purchased at an average price of €19.46, reflecting the buyback of 213,040 shares during 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 of Ingenico stock repurchased by the Company amounted to 1,166,780 shares at December 31, 2009 and to 823,699 shares at December 31, 2010, after the transfer of 636,000 shares to holders of free share awards at the end of the vesting period, the allocation of 39,973 shares on July 30, 2010 (following a capital increase by way of incorporation of share premium), the purchase of 582,000 shares, the cancelation of 250,000 shares by reduction of capital, and 79,054 shares invested in the joint investment plan.

Shares repurchased under the liquidity contract

In 2012, 2,458,704 shares were repurchased at an average price of €37.47 and 2,549,803 shares were sold at an average price of €37.06.

Under its liquidity contract, Ingenico held a total of 8,396 treasury shares at December 31, 2012.

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.

Plans in force at December 31, 2012

The main features of the plans applicable at December 31, 2012 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 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 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).

In 2012, following an adjustment made to reflect the payment of a dividend out of the share premium account, 112 additional options were awarded to the grantees who had not yet exercised their options by May 11, 2012. As of May 11, 2012, the allocation ratio conversion has been raised from 1 Ingenico share to 1,004 Ingenico share for 1 OCEANE bond.

Tranches B, E, D and A were fully subscribed and closed in 2005, 2007, 2008 and 2011.

Tranches C and F were fully subscribed and closed in 2012.

No new stock option plans were set up in 2012.

Following the adjustments in 2007, 2010 and 2012 and subscriptions during the period, a total of 16,684 options were outstanding at December 31, 2012, all of them under tranche H, which will be closed in 2013.

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.

This stock subscription option plan was terminated 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 and in 2012 to €11.03.

This stock subscription option plan was terminated in 2012.

Tranche H

On September 20, 2005, the Board of Directors allocated a new tranche of options, called Tranche H. The Board listed the beneficiaries of Tranche H, the number of options to be allocated to each beneficiary and the subscription price. The subscription price for Tranche H was set at €11.62, the equivalent of the share's average opening price over the twenty trading days preceding the grant date, with no discount. In 2007, the subscription price was adjusted to €11.56. It was again modified in 2012 to €10.97.

This stock subscription option plan will terminate in 2013.

b) Free share awards

The Annual Shareholders' Meeting of April 19, 2005 authorized the Board of Directors to make a free award of existing or new shares to the Group's employees or executive officers, up to a maximum of 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).

The Annual Shareholders' Meeting of May 11, 2010 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 2 percent of the company's share capital as of the date of the Board's decision.

On December 14, 2005, 100,000 free shares awards were made to the Chief Executive Officer, Mr. Amedeo d'Angelo, in quarterly allotments, *i.e.* one fourth at the end of each quarter in 2006. On December 31, 2005, 65,000 free shares awards were made; 10,000 shares to the Chairman of the Board of Directors 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 2010, the Board of directors decided to grant a further 37,555 free share awards.

No new free share award program was set up during 2011.

On June 22, 2012, the Board resolved to grant a further 73,000 free shares (the maximum that may be awarded, subject to continued presence and the achievement of a specified level of consolidated EBITDA at December 31, 2013).

A total of 68.309 free share awards were outstanding at December 31, 2011. During the period, 73,000 free shares were awarded, 2,752 awards were canceled and 66.557 vested and were delivered to program beneficiaries. As a result, a total of 72,000 free shares were outstanding at December 31, 2012.

c) Joint investment plan

First plan

The Board Meeting held on March 30, 2010 also decided to set up a joint investment plan, intended for the 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 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.

Given the cancelation of 12,274 awards in 2012 and the level of external and internal performance achieved, a total of 462,366 free shares had vested and were delivered to the beneficiaries as of May 11, 2012 (with 7 shares vesting per beneficiary present within the company for each share invested).

Second plan

On May 21, 2012, the Board of Directors resolved to set up a new joint investment plan intended for the 47 key managers in the Group. Like the preceding plan, the new 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 the achievement of a specified level of external performance (how well the Ingenico share performs in relation to the SBF120 index) and internal performance (consolidated EBITDA at December 31, 2013). A maximum of 8 shares may be awarded and issued for each share invested.

The subscription period for this plan ended on June 12, 2012. On June 22, 2012, the Board of Directors approved the list of beneficiaries and the maximum number of shares that may be awarded following share purchases during market trading on June 22 and June 25, 2012.

The beneficiaries subscribed for a total of 49,048 shares, which brought the maximum number of share awards to 392,384. Given that 34,896 awards were canceled since the inception of the plan, the maximum number of shares that may be awarded was 357,488 at December 31, 2012.

Change in option and share award plans in the period

	2012						
	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*	Weighted average life (in years)	Weighted average exercise price (in €)
Tranche C	1,056	-	1,056	-	-	8	€10.36
Tranche F	14,406	39	4,235	10,210	-	8	€11.07
Tranche H	19,611	73	3,000	-	16,684	8	€11.01
Free shares	68,309	73,000	66,557	2,752	72,000		
Joint investment plan	474,640	392,384	462,366	47,170	357,488		
TOTAL	**578,022**	**465,496**	**537,214**	**60,132**	**446,172**		

* *Including 16,684 exercisable at December 31, 2012*

	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*	Weighted average life *(in years)*	Weighted average exercise price *(in €)*
Tranche C	2,271	-	159	1,056	1,056	8	€10.36
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		
Joint investment plan	548,300	-	-	73,660	474,640		
TOTAL	**987,650**	**-**	**296,877**	**112,751**	**578,022**		

* *Including 35,073 exercisable at December 31, 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*	Weighted average life *(in years)*	Weighted average exercise price *(in €)*
Tranche A	73,249	2,134	59,262	-	16,121	8	€5.37
Tranche C	6,180	110	2,512	1,507	2,271	8	€10.36
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**		

* *Including 74,864 exercisable at December 31, 2010.*

Fair value of options granted

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

For stock options

The starting value is equal to the share price at the date of grant.

The relevant measure of volatility here is historical volatility, calculated over a one-year period prior to the date of grant, except in the case of plans A and B, for which the relevant measure of volatility was calculated based on a multi-criteria analysis of the implied volatility of financial instruments at the calculation date.

The yield curve has been derived from Bloomberg money market and swap rates.

For free share awards

Fair value is equal to the share price at the grant date.

Impact on the financial statements

2012

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 estimating the internal and external valuation criteria (fulfillment of service conditions and possibly performance conditions), Ingenico recognized an expense of €5,060,000 in Profit from ordinary activities for 2012. This included a €134,000 expense related to stock-option plans put in place by the new Group subsidiary Roam Data.

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.

NOTE 23 EARNING PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to Ingenico S.A. shareholders by the average number of ordinary shares outstanding during the year, excluding ordinary shares repurchased by the Group and held as treasury shares. The average number of ordinary shares is a weighted annual average calculated by adjusting the shares in issue at the beginning of the period for the number of shares bought back or issued during the period, prorated on the basis of the transaction dates.

	2012	2011	2010
Net profit or loss attributable to Ingenico S.A. shareholders (in thousands of euros)	96,854	56,489	39,575
Weighted average number of ordinary shares	51,799,506	50,973,455	48,905,699
Basic earnings per share *(in euros)*	**1.87**	**1.11**	**0.81**

Diluted earnings per share

To calculate diluted earnings per share, the weighted average number of ordinary shares is adjusted to take into account the impact of the potential conversion of all dilutive instruments.

At December 31, 2012, 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)	2012	2011	2010
Net profit or loss attributable to Ingenico S.A. shareholders	**96,854**	**56,489**	**39,575**
Diluted net profit or loss attributable to Ingenico S.A. shareholders	**105,720**	**63,396**	**39,575**
Weighted average number of ordinary shares	**51,799,506**	**50,973,455**	**48,905,699**
Impact of dilutive instruments:			
Exercise of stock options and free share awards	178,702	536,968	765,780
Conversion of convertible bonds	6,677,350	6,677,350	-
Diluted weighted average number of ordinary shares	**58,655,558**	**58,187,772**	**49,671,479**
Diluted earnings per share *(in euros)*	**1.80**	**1.09**	**0.80**

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)	2012	2011	2010
Cash and cash equivalents	384,152	347,602	158,937
Financial borrowings and debt	(459,028)	(457,254)	(268,004)
Net debt	**(74,876)**	**(109,652)**	**(109,067)**

Breakdown of cash and cash equivalents and other investments

(in thousands of euros)	2012	2011	2010
Cash and cash equivalents	236,996	260,878	136,225
UCITS classified as cash	147,156	86,724	22,712
Cash and cash equivalents	**384,152**	**347,602**	**158,937**
Cash and cash equivalents and other investments	**384,152**	**347,602**	**158,937**

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)	2012	2011	2010
Balance at January 1	**86,724**	**22,713**	**24,636**
Increase/Purchases	60,557	60,394	-
Decrease/Sales	-	(2,500)	(2,123)
Translation differences	-	-	-
Other movements	(125)	6,118	200
Balance at December 31	**147,156**	**86,724**	**22,713**

UCITS are classified as cash equivalents when they meet the criteria of IAS 7. Otherwise, they are classified as other investments.

Breakdown of financial borrowings and debt

Financial liabilities may be broken down into long-term and short-term liabilities. The latter include the portion of less than one year of long-term debt as well as financial liabilities with a term of less than one year.

(in thousands of euros)	2012	2011	2010
Bond loans	220,264	213,637	-
Bank borrowings	155,868	207,790	219,704
Finance lease obligations	2,188	6,011	8,924
Other financial liabilities	3,063	125	147
Non-current borrowings and long-term debt	**381,383**	**427,563**	**228,775**
Bank and similar borrowings	59,378	5,630	20,832
Finance lease obligations	3,602	3,572	4,558
Bank overdrafts and other financial liabilities	14,665	20,489	13,838
Short-term borrowings	**77,645**	**29,691**	**39,228**
TOTAL FINANCIAL BORROWINGS AND DEBT	**459,028**	**457,254**	**268,004**

1) Bank borrowings

2012

At December 31, 2012, long- and short-term bank borrowings amounted to €435.5 million, including €428.6 million in respect of the syndicated loan facility renegotiated on August 5, 2011 and a convertible bond issued on March 11, 2011.

Bond issue

The Group has proceeded with the 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%.

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 from the issue date, which was March 11, 2011, until the seventh business day preceding the maturity or early redemption date, at a ratio of 1,004 share per bond, following an adjustment made on May 11, 2012.

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 of 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

In accordance with the accounting principle set forth in the passage, Compound financial instruments, on page 45 of the 2010 Registration Document, the fair value of the bond's liability component on the balance sheet as well as its equity component were calculated based on the issue date of the OCEANE, which was 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 €208.83 million and to €37.02 million for the optional component, after taking in account the cost of the "investors" put and the assignment of issuance costs (€4.14 million prorated between the debt and equity).

On December 31, 2012, the value of the debt component on the balance sheet amounts to €220.3 million.

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, repayable over a 4-year period, fully drawn down on August 10, 2011. This loan is repayable in installments beginning March 31, 2013: 26.25 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, 2012.

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.

The Group also agreed to the standard legal covenants.

These ratios have been met as of December 31, 2012.

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.

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.

2) Bank overdrafts

At December 31, 2012, bank overdrafts totaled €13.3 million, mainly for easycash GmbH.

At December 31, 2011, bank overdrafts totaled €19.7 million, mainly for easycash GmbH.

At December 31, 2010, bank overdrafts totaled €13.4 million, mainly for easycash GmbH.

3) Finance lease obligations

At December 31, 2012, finance lease obligations concern easycash GmbH for €4.7 million and Ingenico Italia, for €1 million.

At December 31, 2011, finance lease obligations concerned 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	2012 Less than 1 year	1-2 years	2-5 years	More than 5 years
Bond loans	Ingenico SA	220,264	2.75%	-	-	220,264	-
	TOTAL	**220,264**		**-**	**-**	**220,264**	**-**
Bank borrowings	Ingenico SA	208,368	3 months Euribor + 110 pts*	52,500	52,500	103,368	-
	TOTAL	**208,368**		**52,500**	**52,500**	**103,368**	**-**
Finance lease obligations	Pacific	16	8.55%	-	-	16	-
	Italia SpA	1,032	Euribor + rate ranging from 0.7% to 1.7%	662	106	264	-
	easycash GmbH	4,739	5.849%	2,937	1,802	-	-
	easycash Loyalties	2	4.579%	2	-	-	-
	TOTAL	**5,789**		**3,601**	**1,908**	**280**	**-**
Bank overdrafts	Ingenico SA	11	Eonia + rate ranging from 0.35% to 0.6%	11	-	-	-
	easycash GmbH	13,310	Eonia + 2.5%	13,310	-	-	-
	TOTAL	**13,321**		**13,321**	**-**	**-**	**-**
Other financial liabilities	Ingenico SA	2,894		17	-	2,877	-
	easycash GmbH	1,000		1,000	-	-	-
	Ingenico Services Iberia	328		328	-	-	-
	Ingenico Prepaid Services France	182		-	63	119	-
	Roam Data	4		-	-	4	-
	TOTAL	**4,408**		**1,345**	**63**	**3,000**	**-**
Accrued interest on borrowings	Ingenico SA	6,878	3 months Euribor + 110 pts	6,878	-	-	-
	TOTAL	**6,878**		**6,878**	**-**	**-**	**-**
TOTAL FINANCIAL BORROWINGS AND DEBT		**459,028**		**77,645**	**54,471**	**326,912**	**-**

* *Bank borrowings are hedged by an interest rate swap (see Note 4, "Financial risk management").*

(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 + 110pt	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**

(in thousands of euros)		Carrying amount	Average annual rate	2010 Less than 1 year	2010 1-2 years	2010 2-5 years	2010 More than 5 years
Bank borrowings	Ingenico SA	238,833	3 months Euribor + 200pt	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**	

Breakdown by currency

The following table shows the breakdown of financial borrowings and debt by currency:

	2012	2011	2010
Euro	459,008	453,859	266,404
British pound	-	12	1,599
US Dollar	4	248	-
Other currencies	16	3,136	-
TOTAL DEBT	**459,028**	**457,254**	**268,004**

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, 2010	**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	15,035
Capitalized interests	7,214
Repayments	(18,704)
Net change in drawdowns on lines of credit	(6,259)
Translation differences	(82)
Other movements	4,564
Changes in consolidation scope	6
Balance at December 31, 2012	**459,028**

2012

The new borrowings during the year were contracted by Ingenico do Brasil and Landi, and were repaid in full in 2012.

Capitalized interest pertained to the convertible bond issue and the syndicated loan.

2011

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)	2012	2011	2010	2012	2011	2010
Current assets	-	-	439	1,506	6,861	3,022
Current liabilities	(6,325)	(2,072)	-	(1,541)	(1,698)	(2,216)
TOTAL	**(6,325)**	**(2,072)**	**439**	**(35)**	**5,163**	**807**

Breakdown of instruments by hedging policy

(in thousands of euros)	2012	2011	2010
Instruments designated as cash flow hedges			
Foreign exchange forward contracts	39	2,555	(57)
Foreign exchange options	14	498	488
Foreign exchange swaps	(165)	1,402	-
Interest rate swaps	(6,158)	(1,441)	-
Interest rate options (cap)	-	-	439
Instruments not designated as cash flow hedges			
Foreign exchange forward contracts	-	-	-
Foreign exchange swaps	77	708	-
Interest rate swaps	-	-	376
Interest rate options (cap)	(167)	(631)	-
TOTAL	**(6,360)**	**3,091**	**1,246**

The effective portion of changes in the fair value of instruments used to hedge operating transactions is recognized in Profit from operations. The ineffective portion of changes in the fair value of hedging instruments is recognized directly in Net finance costs. Changes in the fair value of instruments used to hedge financial transactions are likewise recognized in 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.

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.

These benefit obligations have been measured by independent actuaries.

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 plans described as follows.

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.

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).

Movements in the provisions for funded and unfunded defined benefit obligations were as follows:

	Exercice 2012		
(in thousands of euros)	Funded	Unfunded	Total
At January 1	**4,497**	**8,288**	**12,785**
Acquisitions	-	-	-
Translation differences	131	1	132
Increases	238	870	1,108
Reversals	-	(186)	(186)
Contributions	(5,918)	-	(5,918)
Actuarial (gains)/losses	1,552	2,201	3,753
At December 31	**500**	**11,173**	**11,674**

	Exercice 2011		
(in thousands of euros)	Funded	Unfunded	Total
At January 1	**1,205**	**7,445**	**8,650**
Acquisitions	-	231	231
Translation differences	159	1	160
Increases	136	872	1,008
Reversals	-	(149)	(149)
Contributions	(922)	-	(922)
Actuarial (gains)/losses	3,919	(111)	3,808
At December 31	**4,497**	**8,288**	**12,785**

	Exercice 2010		
(in thousands of euros)	Funded	Unfunded	Total
At January 1	**3,860**	**6,555**	**10,415**
Acquisitions	-	33	33
Translation differences	131	2	132
Increases	188	753	940
Reversals	-	(229)	(229)
Contributions	(932)	-	(932)
Actuarial (gains)/losses	(2,041)	331	(1,711)
At December 31	**1,205**	**7,445**	**8,650**

Movements in the present value of funded and unfunded defined benefit obligations

	2012		
(in thousands of euros)	Total	Funded plans	Unfunded plans
At January 1	**27,660**	**19,372**	**8,288**
Current service costs	504	-	504
Interest on obligation	1,300	933	367
Actuarial gains/(losses) recognized in other comprehensive income	4,923	2,722	2,201
Translation differences	442	442	-
Benefits paid from unfunded plans	(186)	-	(186)
Benefits paid from funded plans	(1,404)	(1,404)	-
At December 31	**33,239**	**22,065**	**11,174**

Historical information on the present value of defined benefit obligations is as follows:

Present value of the defined benefit obligation *(in thousands of euros)*	2012	2011	2010
At January 1	**19,372**	**14,301**	**14,887**
Interest on obligation	933	811	870
Actuarial gains/(losses) recognized in other comprehensive income	2,722	4,048	(1,377)
Translation differences	442	610	474
Benefits paid from funded plans	(1,404)	(399)	(553)
At December 31	**22,065**	**19,372**	**14,301**

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)*	2012	2011	2010
Unfunded plans	11,174	8,288	7,446
Funded plans	22,065	19,372	14,301
TOTAL	**33,239**	**27,660**	**21,747**

Movements in the fair value of plan assets

Fair value of plan assets *(in thousands of euros)*	2012	2011	2010
At January 1	**14,875**	**13,096**	**11,026**
Expected return on plan assets	695	675	683
Actuarial gains/(losses) recognized in other comprehensive income	1,170	129	664
Translation differences	311	452	344
Employer contributions	5 918	922	932
Benefits paid from funded plans	(1 404)	(399)	(553)
At December 31	**21,565**	**14,875**	**13,096**

Analysis of recognized assets and liabilities

(in thousands of euros)	2012	2011	2010
Assets and liabilities recognized			
Present value of obligations	33,239	27,660	21,747
Fair value of plan assets	21,565	14,875	13,096
Surplus/(deficit)	**(11,674)**	**(12,785)**	**(8,651)**
Unrecognized past service cost	-	-	-
Assets not recognized (limitation effect)	-	-	-
Net liability	**(11,674)**	**(12,785)**	**(8,651)**

Expense recognized in profit or loss

(in thousand of euros)	Exercice 2012	(Forecast) Exercice 2013
Current service costs	504	676
Interest on obligation	1,300	1,274
Expected return on plan assets	(695)	(944)
At December 31	**1,109**	**1,006**

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)	2012	2011	2010
At January 1	**3,350**	**(602)**	**976**
Actuarial (gains)/losses recognized in other comprehensive income	3,753	3,804	(1,710)
Translation differences	132	148	132
At December 31	**7,235**	**3,350**	**(602)**

Actuarial gain/loss recognized in 2012 are as follows:

	(in thousands of euros)	*(% change)*
Obligations		
Experience	176	0.53%
Changes in assumptions	4,747	14.28%
Plan assets		
Experience	(1,170)	-5.43%
	3,753	

Analysis of plan assets

Plan investments	*(in thousands of euros)*	*(% change)*	Expected Yield
Equities	14,968	69.41%	5.50%
Bonds	6,404	29.70%	3.00%
Other	193	0.89%	3.00%
TOTAL	**21,565**	**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.

To determine the expected overall rate of return on plan assets, the assumptions used were based on returns on government bonds and the appropriate risk premiums.

Actuarial assumptions

	France	Germany	Italy	Turkey	United-Kingdom	Average rate, weighted by the DBO amount
Discount rate	2.90%	2.90%	2.90%	7.00%	4.30%	3.86%
Expected rate of return on plan assets	N/A	N/A	N/A	N/A	4.75%	4.75%
Expected future salary increases	2.50%	N/A	2.50%	7.00%	N/A	2.24%
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 2013

Expected contributions in 2013:

	(in thousands of euros)
Employer contributions	980
Plan participants' contributions	-

Sensitivity of assets and liabilities to changes in the discount rates at December 31, 2012

A 1 percentage point change in the discount rate for all plans would have resulted in the following net liabilities at December 31, 2012:

(in thousands of euros)	Discount rate +1%			Discount rate-1%		
Assets and liabilities	**Total**	**Funded plan**	**Unfunded plan**	**Total**	**Funded plan**	**Unfunded plan**
Present value of obligations	27,624	17,798	9,826	39,633	26,787	12,846
Fair value of plan assets	21,565	21,565	-	21,565	21,565	-
Surplus/(deficit)	**(6,059)**	**3,767**	**(9,826)**	**(18,068)**	**(5,222)**	**(12,846)**
Net liability	**(6,059)**	**3,767**	**(9,826)**	**(18,068)**	**(5,222)**	**(12,846)**

According to the U.K. actuary, IFRIC 14 has no impact on the consolidated financial statements at December 31, 2012.

The above hypothetical changes to the discount rates would result in the following movements recognized directly in other comprehensive income:

(in thousands of euros)	Discount rate +1%	Discount rate -1%
At January 1	**3,347**	**3,347**
Actuarial (gains)/losses recognized in other comprehensive income, net of any limitation	(1,862)	10,147
Translation differences	132	132
At December 31	**1,617**	**13,626**

NOTE 27 OTHER PROVISIONS

(in thousands of euros)	Balance at January 1, 2012	Translation differences	Changes in consolidation scope	Additions	Reversals of amounts used	Reversal of unused amounts	Others movements	Balance at December 31, 2012
Provisions for warranties	11,124	(169)	9	11,398	(10,261)	-	29	12,130
Provisions for litigations and claims	8,613	35	-	3,576	(4,118)	(381)	(375)	7,350
Provisions for restructuring	168	-	-	1,263	(669)	-	-	762
Other provisions	13,555	(7)	-	8,866	(6,676)	(4,783)	107	11,062
TOTAL OTHER PROVISIONS	**33,460**	**(141)**	**9**	**25,103**	**(21,724)**	**(5,164)**	**(239)**	**31,304**

(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**

(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 are still in progress. They relate to the ICMS tax, where the amount in question was approximately €71 million at December 31, 2012 (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, 2012.

All notified ICMS-related assessments are still being contested in the administrative courts in Brazil.

At December 31, 2012, Ingenico had not been notified of any final decision by the Brazilian administrative courts and consequently had not received any demand for payment.

In addition, during the exercise of a put option on shares he owned in Roam Data Inc., an Ingenico Group subsidiary, and the valuation of these shares, Mr. Will Graylin, minority shareholder of Roam Data, joined other minority shareholders of that company to file a complaint with the Commonwealth of Massachusetts Superior Court Department against (i) Philippe Lazare, (ii) a member of the management board of Ingenico S.A., both as individuals and as directors of Roam Data Inc., (iii) Roam Data Inc., (iv) Ingenico S.A., and (v) Ingenico Venture SAS.

The plaintiffs" main allegations are failure to uphold minority shareholder rights, breach of contract, violation of Rule 10b-5, and theft of the intellectual property of Roam Data.

The amount of the loss they claim to have suffered has not yet been stated and will be determined by the jury appointed to rule on merits of their potential demands if the dispute proceeds further. No provision was recognized in the consolidated financial statements in respect of this claim.

Lastly, in one commercial dispute, the company Bull s.r.o. sued Ingenico S.A., its Czech subsidiary and the subsidiary's chief executive officer 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 Czech newspaper. To cover the claim for damages to which Bull s.r.o. believes it is entitled, the Group recognized a €1.1 million provision at December 31, 2012, divided between Ingenico S.A. et Ingenico CZ s.r.o. The procedure is still in progress.

(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).

The €4.8 million of unused amounts reversed mainly relate to commitments to suppliers to purchase inventories and customer quality risks.

(in thousands of euros)	2012	2011	2010
Supplier inventory buyback commitments	2,206	4,189	1,305
Product quality risk	4,728	3,778	5,740
Employee indemnities and benefits	1,005	2,377	1,037
Customer sales indemnities	955	561	3,405
Administrative litigation	-	735	1,227
Head office transfer expenses	-	828	-
Other expenses	2,167	1,087	1,219
TOTAL OTHER PROVISIONS	**11,061**	**13,555**	**13,933**

NOTE 28 OTHER NON-CURRENT LIABILITIES

At December 31, 2012, 2011 and 2010, other non-current liabilities included:

(in thousands of euros)	2012	2011	2010
Trade payables	3	140	322
Current tax liabilities (over one year)	540	449	5,033
Tax, personnel and social security liabilities	990	2,005	1,263
Deferred income	19,089	8,811	8,769
Other liabilities	-	465	143
TOTAL	**20,622**	**11,869**	**15,53**

All non-current liabilities are due to be settled in over one year.

NOTE 29 TRADE PAYABLES AND RELATED ACCOUNTS

(in thousands of euros)	2012	2011	2010
Trade payables	202,389	204,005	194,167
Other operating liabilities composed of:	78,169	93,327	73,563
Customer advances	4,658	22,189	13,667
Other tax liabilities	17,547	23,155	17,963
Employee-related liabilities	55,964	47,083	42,062
Other		900	(129)
TOTAL	**280,559**	**297,332**	**267,730**

NOTE 30 CURRENT TAX PAYABLE

At December 31, 2012, current tax payable under one year was composed chiefly of income tax payable on taxable profit at Group subsidiaries.

(in thousands of euros)	2012	2011	2010
Germany	3,279	3,245	519
Argentina	-	79	55
Australia	665	2,803	1,250
Brasil	-	2,245	-
Canada	668	166	1,381
Chili	-	-	86
China	3,018	2,036	1,580
Colombia	44	-	-
Spain	128	356	428
France	8,230	91	41
Hongary	13	134	3
India	18	-	-
Ireland	-	-	16
Italy	-	1,653	-
Philippines	27	-	-
Poland	19	61	-
Czech Republic	40	121	207
United Kingdom	3,098	1,980	274
Russia	88	3	19
Singapour	309	-	-
Switzerland	-	16	-
Thailand	-	-	17
Turkey	991	1,326	365
USA	624	68	2,365
Venezuela	6	255	28
TOTAL	**21,265**	**16,640**	**8,633**

NOTE 31 OTHER LIABILITIES

Other liabilities are broken down as follows:

(in thousands of euros)	2012	2011	2010
Other liabilities	22,180	40,509	40,084
Deferred income	63,628	39,346	33,729
TOTAL	**85,808**	**79,855**	**73,813**

The increase in deferred income recorded in 2012 was due mainly to higher year-end invoicing by the Group subsidiary Fujian Landi for goods it had not yet delivered.

The put option on Landi shares was exercised when non-controlling interests were bought out in October 2012. Other liabilities include those arising from put options written at the time of the acquisitions of Roam Data and Transfer To. These options are measured on the basis of discounted future cash flows or contractual agreements with the minority shareholders of these companies, which provide the best estimate of the put exercise price. The cash flows used are those of each company's business plan.

The put option on Roam data shares was measured on the basis of expert reports. Mr. Graylin, a minority shareholder of Roam Data, initiated procedures to exercise a put option on shares he holds in that company. In the adversarial securities valuation process, a maximum of three experts may be appointed. The first two have submitted their valuation reports, and the final valuation will depend on the third report. In the meantime, the liability arising from the potential exercise of Mr. Graylin's put option has been measured based on the first two valuations.

NOTE 32 COMMITMENTS

(in thousands of euros)	2012	2011	2010
Commitments received			
Bank guarantees	1,307	-	3,259
Net asset warranty as part of acquisition of a 55% interest in Fujian Landi, expiring on May 23, 2011 (USD 17,050,000).	-	-	12 760
Net asset warranty as part of easycash acquisition, expiring on February 28, 2011.	-	-	8,150
Net asset warranty of unlimited duration as part of acquisition of an 83.86% interest in Roam Data Inc. (USD 700,000).	531	374	374
Net asset warranty as part of Payzone acquisition, expiring on November 5, 2011.	-	-	1,050
Net asset warranty as part of acquisition of a 49% interest in Korvac Holdings Pte Ltd (SGD 3, 000.000): ● tax warranty valid until expiry of time limit for tax claims; ● other warranties expiring on May 1, 2012.	-	17,837	17,507
Net asset warranty as part of acquisition of First Data Iberica SA, expiring on September 8, 2012.	-	15,000	15,000
Net asset warranty as part of acquisition of Ingeserve Co. Ltd, expiring on May 21, 2015.	unlimited	unlimited	unlimited
Net asset warranty as part of TNET acquisition, of unlimited duration and amount.	unlimited	unlimited	-
Net asset warranty as part of Paycom acquisition. Corporate warranties expire on July 1, 2021, tax warranties on December 31, 2015, other warranties on July 1, 2013.	12,381	12,381	-
Other commitments received			
Call option in favor of Ingenico S.A. on remaining Roam Data shares held by non-controlling shareholders, exercisable in 2014. Transaction price to depend on the company's financial performance, but cannot be less than USD 0.1 per share. Payment may be ma			
Put option on outstanding Moneyline Banking System (MBS) shares, exercisable in 2013. Purchase price to depend on MBS EBIT in 2012.			
Commitments given			
Various warranties	11,985	22,129	25,569
Net asset warranty as part of Sagem Denmark disposal in 2009:			
● standard seller's warranty expiring on June 30, 2010;			-
● corporate and litigation warranties expiring on June 30, 2011;			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 S.A. shares in 2009; warranty covering 4 legal disputes, unlimited amount until expiry of time limit for claims (maximum estimated risk).			
Ingenico S.A. has recognized a provision for part of this amount.			3,050
Other commitments given			
Shares of DI Deutsche Ingenico Holding GmbH pledged as security for a €210 million loan from BNP. The additional BNP loan of €34 million is secured by a second ranking charge.	-	for the record	-

At December 31, 2012, the Group had the following commitments in connection with its business activities:

- the Group placed firm orders with manufacturers totaling approximately €169.02 million au December 31, 2012;
- 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 2010 amounts have been restated to reflect the new Group organization, set out in Note 7, Segment Reporting:

(in thousands of euros)	2012	2011	2010
Commitments given on non-cancelable leases	88,031	82,571	39,611
TOTAL	**88,031**	**82,571**	**39,611**

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:

	2012						
(in thousands of euros)	Central Operations	SEPA	Asia-Pacific	North America	Latin America	Central Europe, Africa, Middle East	Total
Y+1	6,022	8,102	1,348	819	936	-	17,228
Y+2	7,101	5,779	1,009	963	870	-	15,721
Y+3	6,217	2,499	507	716	784	-	10,722
Y+4	6,114	1,274	81	654	711	-	8,834
Y+5 and following	29,706	1,504	0	3,606	711	-	35,527
TOTAL	**55,160**	**19,158**	**2,945**	**6,758**	**4,011**	**-**	**88,031**

	2011						
(in thousands of euros)	Central Operations	SEPA	Asia-Pacific	North America	Latin America	Central Europe, Africa, Middle East	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, Africa, Middle East	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**

Ingenico is entitled to receive future minimum rental income in respect of non-cancelable operating leases in the context of its activity amounting to €4.0 million.

NOTE 33 RELATED PARTY TRANSACTIONS

Transactions in 2012 between Ingenico and the Safran Group, a member of the Board of Directors, only involve contracts of small amounts in relation to the size of the Group:

- a Telium license contract giving Morpho the right to develop non-payment terminals from Ingenico's Telium platform, representing €70,300;
- a contract for purchase by Ingenico of a biometric model, representing €0.3 million in fiscal year 2012.

Total compensation and benefits paid to the Chairman of the Board of Directors and current members of the Executive Committee at December 31, 2012 breaks down as follows:

(in thousands of euros)	2012	2011	2010
Fixed compensation	5,262	5,993	4,862
Variable compensation	3,062	3,074	2,453
Other benefits	809	1,528	636
Stock options and free share awards (service cost recognized)	2,643	3,042	3,616
TOTAL	**11,776**	**13,637**	**11,566**

In 2012, the number of Executive Committee members was reduced to 32, which explains the decrease in total compensation.

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 that year.

NOTE 34 SUBSEQUENT EVENTS

In January 2013, Ingenico reached an agreement in principle with Summit Partners to acquire Ogone, the leading pan-European online payment services provider, for an enterprise value of €360 million. In 2012, Ogone employed more than 280 employees and generated €42 million in revenue. The procedure for informing and consulting the Ingenico S.A. works council is already under way. The final documentation and closing are expected in Q1 2013, in particular after confirmation of non-opposition from the National Bank of Belgium. The acquisition will be financed through a combination of €120 million in cash and €240 million in committed lines of credit.

The remaining conditions to be fulfilled before closing the acquisition of the PT Integra group in Indonesia are in the process of being met. The acquired businesses PT Integra Pratama and PT Integrasi Service Mandiri, fully cover POS terminal services, including a mix of terminal sale and rental, field and maintenance services.

5.7 Statutory auditors' report on the Consolidated Financial Statements

Financial Year ended December 31, 2012

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' meeting, we hereby report to you, for the financial year ended December 31, 2012, on the following:

- our audit of the attached consolidated financial statements of Ingenico SA;
- the justification of our assessments;
- the specific verifications required by law;

These consolidated financial statements have been adopted by the Board of Directors. Our role is to express an opinion on 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.

In note 2 to the consolidated financial statements regarding the change of accounting method related to the recognition of the translation differences from January 1st, 2012.

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 Notes and 12, "Goodwill and other intangible assets," provide adequate disclosure. The underlying estimates retained for this test used assumptions that are uncertain by nature, the realizations may differ significantly from the forward-looking statements used.
- 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.
- As mentioned in the first part of this report, the note 2 "Accounting principles and methods "of the notes to the consolidated financial statements presents the change of accounting method related to the recognition of the translation differences from January 1st, 2012. In compliance with the International and Financial Reporting Standard IAS 8 Accounting policies, changes in accounting Estimates and errors, the comparative information related to the fiscal years 2010 and 2011, presented in the consolidated financial statements, was restated to take into consideration the application of this change in the accounting method retrospectively. In consequence, the comparative information is different from the consolidated financial statements disclosed for the years ended December 31, 2011 and 2010. As part of our assessment of the accounting principles used by your company, we ensured that the company's change in accounting policy and the presentation was correctly applied and properly justified.

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 on information given in the management report of the Board of Directors.

We have no matters to report as to the fair presentation and the consistency with the consolidated financial statements.

The statutory auditors

Paris and Paris La Défense, February 28, 2013

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

6

PARENT COMPANY FINANCIAL STATEMENTS AT DECEMBER 31, 2012

6.1 Assets

		2012			2011
(in thousands of euros)	Notes	Gross	D&A and impairment	Net	Net
Intangible assets	4				
Research and development expenses		63,500	43,941	19,560	14,433
Licenses, patents and similar rights		24,195	14,868	9,327	4,442
Goodwill		223,160	1,571	221,589	174,263
Other intangible assets		3,139	686	2,453	2,458
Property, plant and equipment	4				
Buildings on leasehold land		1,003	125	879	490
Facilities and equipment		39,697	31,825	7,872	7,086
Other property, plant and equipment		15,776	7,365	8,410	7,513
Financial assets	4				
Equity interests	5,9,19	557,262	30,328	526,934	547,968
Loans and advances to subsidiaries and associates	5,6,9,19	168,337	-	168,337	117,640
Other financial assets	6	539	-	539	1,055
TOTAL I		**1,096,608**	**130,709**	**965,898**	**877,349**
Current assets					
Inventories	9				
Raw materials and consumables		9,154	3,581	5,573	4,842
Finished and semi-finished goods		20,729	4,785	15,945	9,835
Purchased goods held for sale		57	42	15	123
Total inventories		**29,940**	**8,407**	**21,533**	**14,801**
Trade receivables	5,6,9,12,19				
Advances and down-payments		747	-	747	901
Trade receivables and related accounts		92,877	6,272	86,604	102,950
Other receivables		95,123	1,372	93,751	91,195
Short-term investments	7,9	148,299	-	148,299	100,782
Cash and cash equivalents	12	91,669	-	91,669	119,934
Accrued income	6	3,626	-	3,626	2,780
TOTAL II		**462,282**	**16,052**	**446,230**	**433,342**
Deferred charges	4	4,612	-	4,612	5,944
Translation gains		1,286	-	1,286	3,438
TOTAL ASSETS		**1,564,787**	**146,761**	**1,418,026**	**1,320,073**

6.2 Shareholders' equity and liabilities

(in thousands of euros)	Notes	2012	2011
Equity	8		
Share capital		52,488	51,980
Share premium		503,416	496,825
Reserves	8		
Legal reserve		5,200	5,151
Other reserves			
Retained earnings	8	397	11,785
Profit for the year	**8**	**92,741**	**7,509**
Regulated provisions	8.9	9,908	4,975
TOTAL I (EQUITY)		**664,149**	**578,225**
Provisions for liabilities and charges			
Provisions for liabilities and charges	9	18,730	27,600
TOTAL II (PROVISIONS)		**18,730**	**27,600**
Liabilities	11		
Bond issues	10.12	256,875	255,542
Bank borrowings and debt	10.12	210,013	210,047
Cash-flow instruments	10.12	271	-
Other borrowings and liabilities	5.19	110,256	101,657
Advances and down-payments received on outstanding orders		504	5
Trade payables and related accounts	12.19	77,907	79,763
Incomes taxes and taxes other than on income	12	45,594	27,275
Payables to non-current asset suppliers and related accounts	–	1,000	-
Other liabilities	12.19	19,894	27,537
Deferred income		11,702	8,575
TOTAL III (LIABILITIES)		**734,018**	**710,400**
Translation losses		1,128	3,848
TOTAL LIABILITIES AND EQUITY		**1,418,026**	**1,320,073**

6.3 Income statement

(in thousands of euros)	Notes	2012	2011
Resale of purchased goods		36,019	27,167
Sales of goods produced		396,256	334,731
Sales of services		42,371	35,958
Revenue	**13.19**	**474,646**	**397,857**
Inventories of finished goods and work in progress	19	3,942	7,373
Production for own use	19	13,515	–
Operating grants	19	132	–
Other operating income	19	833	–
Reversal of operating provisions	9.19	18,057	13,659
TOTAL OPERATING INCOME		**511,125**	**418,888**
Purchases (incl. customs duties)	19	144	–
Cost of inventories consumed	19	221,092	189,977
Changes in inventories (raw materials and other supplies)	19	576	–
Other purchases and external charges	15.19	99,924	95,448
Income taxes, taxes other than on income and related expenses	19	7,283	6,144
Wages and salaries	14.20	62,305	54,730
Social security contributions		31,941	22,629
D&A on non-current assets	4	19,983	19,197
Provisions and impairment	9.19	20,411	21,976
Other expenses		1,585	1,830
TOTAL OPERATING EXPENSES		**465,243**	**411,930**
Profit from operations		**45,882**	**6,958**
Financial income	16	137,824	45,302
Financial expenses		(68,117)	(58,750)
Provisions and reversals of provisions	16	(9,249)	15,908
Financial income	**16**	**60,458**	**2,460**
Profit before income taxes and non-recurring items		**106,340**	**9,418**
Non-recurring income		6,713	6,244
Non-recurring expenses		(19,214)	(4,671)
Non-recurring provisions and reversals of provisions	17	5,784	(4,935)
Net non-recurring expenses	**17.00**	**(6,717)**	**(3,362)**
Income taxes	18	6,883	(1,453)
Net profit for the year		**92,741**	**7,509**

6.4 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

Subscription to the increase in the share capital of Ingenico Ventures in connection with the move to a controlling interest in Roam Data

In February 2012, Ingenico S.A. subscribed for a €36.1 million increase in the share capital of its wholly owned subsidiary Ingenico Ventures. The purpose of this capital increase was to enable Ingenico Ventures to raise its stake in the U.S. company Roam Data from 43.92 percent to 84 percent.

Acquisition from Arcom of payment terminal distribution assets in Russia

During the first half of 2012, Ingenico entered into a partnership with the Russian entity Ingenico Payment Systems LLC, and went on to acquire exclusive control of the company for €7 million. Through this company, Ingenico purchased the assets of the Russian company Arcom related to payment terminal distribution in Russia and the Commonwealth of Independent States.

Merger with Xiring

During the first half of 2012, Ingenico bought out the remaining non-controlling interests in Xiring through a combined €4.8 million cash offer and an exchange offer financed by a capital increase, thus moving to full ownership of the company. On June 29, 2012, Ingenico S.A. accordingly merged with Xiring.

As provided for in Article L.236-4 of the French Commercial Code, the merger has been accounted for as retroactively effective to January 1, 2012.

Moreover, the merger benefited from the favorable tax treatment provided by Article 210A of the French General Tax Code with retroactive effect to January 1, 2012.

The difference between the net book value of Xiring as of the effective merger date and the net book value of the Xiring equity securities held by Ingenico gave rise to a merger deficit that was recorded as a €46.6 million increase in goodwill on the Ingenico balance sheet.

Creation of Mobile Payments Solutions N.V.

As part of its mobile-phone payment joint venture with the Chinese company ZTE, in June 2012 Ingenico created the company Mobile Payments Solutions N.V. in the Netherlands. On November 13, 2012, Ingenico subscribed jointly with ZTE for an increase in the new company's capital, paying €9 million and moving to a 40-percent interest in Mobile Payments Solutions N.V. The purpose of this capital increase was to enable Mobile Payments Solutions to acquire full ownership of the Chinese company Nanjing ZTE Ingenico Network Technology Co.

Loan to Ingenico Holdings Asia for the buyout of Fujian Landi non-controlling interests

Ingenico Holdings Asia, a wholly owned Ingenico S.A. subsidiary, bought out the non-controlling interests in the Chinese company Fujian Landi in December 2012. To provide the necessary financing, Ingenico S.A. granted a $60 million loan to Ingenico Holdings Asia.

NOTE 2 SUBSEQUENT EVENTS

On January 29, 2013, Ingenico announced the acquisition of the Belgian group Ogone, a leading European online payment provider, for €360 million. Of this total, €120 million will be paid for out of free cash flow, and €240 million out of existing lines of credit.

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.
- separate accounting periods.

And according to the generally-accepted rules governing the preparation and presentation of annual financial statements.

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 €221,589,000 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 merger in 2010 of Ingenico France (formerly Sagem Monetel) through transfer of all of the entity's assets Xiring. The merger deficit arose on the technology, customer relationship and market share contributed to Ingenico;
- A merger deficit of €46,576,000 was recognized on the 2012 merger with Xiring. The merger deficit arose on the technology, customer relationship and market share contributed to Ingenico;
- The net assets of Xiring included goodwill totaling €750,000.

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, an 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.

To determine the value in use of equity securities, Ingenico has applied the discounted cash flow method to each entity, less net debt or plus net cash, with a 5-year forecast period and discounted terminal value.

Until December 31, 2009, Ingenico applied the tax-accelerated amortization method on a pro rata basis to the portion of acquisition expenses included in the cost of equity securities. Those expenses are amortized over 5 years.

The main assumptions used to determine the recoverable value of equity securities are as follows:

- value in use valuation;
- a 5-year forecast period–After-tax discount rate and perpetuity growth rate;
- after-tax discount rate and perpetuity growth rate:

	31/12/2012	31/12/2011
Average after-tax discount rate	10%	10.50%
Perpetuity growth rate	1%	1%

The assumptions as to growth rate and weighted average cost of capital used in valuing equity securities have been reviewed against all available global market data.

The weighted average cost of capital is a medium-term rate.

Discount rates have been determined using market data on risk-free rates and risk premiums specific to the regions in which the various entities operate.

After-tax discount rate weighted by region	SEPA	NAR	LAR	EEMEA	APAC	Holding CO.	Group
2012	9.00%	9.65%	12.23%	15.00%	12.08%	9.80%	10.00%
2011	9.80%	9.20%	13.18%	13.10%	12.60%	11.38%	10.50%

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.

Development costs arising on the merger with Xiring are amortized over 3 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 S.A. 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 S.A. 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, 2012, those obligations were estimated at €4,414,000.

To calculate its obligations, the Company's uses the retrospective method and the following assumptions:

- social security contribution rates estimated on the basis of actual contribution rates for the various categories of employees;
- voluntary departure at age 62 for former Xiring employees, and at 63 for all other Ingenico employees;
- a 2.0% inflation rate;
- a 2.9% discount rate at December 31, 2012, versus 4.5% at December 31, 2011;
- an annual wage adjustment rate of between 0.5 and 1%, exclusive of inflation.

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

The business research tax credit is accounted for as a reduction of corporate income tax.

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, as 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 that point must be 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 S.A., 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.

NOTE 4 CHANGES IN NON-CURRENT ASSETS AND DEPRECIATION AND AMORTIZATION

Non-current assets

Items (in thousands of euros)	Carrying amount at Jan. 1, 2012	Xiring merger Jan. 1, 2012	Increase	Transfers	Decrease	Carrying amount at Dec. 31, 2012
Intangible assets						
• Research and development expenses	44,634	11,156	7,736 (1)	–	25	63,500
• Patents, licenses and trademarks	14,481	1,936	5,665	2,120	7	24,195
• Goodwill	175,835	750	46,576 (2)		–	223,160
Other intangible assets						
• Miscellaneous	686	–	–	–	–	686
• Assets and R&D in progress	–	–	–	–	–	–
• Other assets in progress	2,458	112	2,112	(2,117)	112	2,453
Property, plant and equipment						
• Building fixtures	1,508	–	565	367	1,437	1,003
• Equipment and machinery	31,498	4,423	4,870	–	1,094	39,697
• Other property, plant and equipment	12,311	1,284	7,889	(369)	5,339	15,776
Financial assets						
• Equity interests	565,049	–	59,434(3)	–	67,221(4)	557,262
• Loans and advances to subsidiaries & associates	117,640	–	59,625(5)	–	8,927(6)	168,338
• Other financial assets	1,063	3,598	2,210	–	6,334	538
TOTAL	**967,163**	**23,260**	**196,682**	**0**	**90,496**	**1,096,608**

(1) *Includes €7,395,000 in capitalized research and development costs.*
(2) *Includes a €46,569,000 merger deficit on the Xiring acquisition.*
(3) *Includes Ingenico Italia shares (€1,750,000), following capital increase through incorporation of receivables.*
Includes Ingenico Ventures shares (€36,142,000), following capital increase through incorporation of receivables.
Includes acquisition of Ingenico Payment Systems LLC shares for €7,000,000.
Includes acquisition of Ingenico Mobile Payments Solutions NV shares for €9,000,000.
(4) *Includes cancelation of Xiring shares (€67,221,000) as part of merger.*
(5) *Includes a loan to Ingenico Holdings Asia (€45,493,000).*
Includes dividends receivable from Ingenico Iberia (€13,000,000).
Includes dividends receivable from Ingenico do Brasil (€913,000).
(6) *Includes repayment of Ingenico Odeme loan (€2,000,000).*
Includes repayment of Ingenico Holdings Asia loan (€6,627,000).
Includes repayment of Ingenico Russia loan (€300,000).

Depreciation and amortization

Items	Accumulated at Jan. 1, 2012	Xiring merger Jan. 1, 2012	Additions	Transfers between items	Reversals	Accumulated at Dec. 31, 2012
Research and development expenses	30,201	6,014	7,725	–	–	43,941
• Patents, licenses and trademarks	10,039	1,497	3,332	–		14,868
• Goodwill	1,571	–	–	–	–	1,571
• Other intangible assets						
• Miscellaneous	686	–	–	–	–	686
Property, plant and equipment						
• Building fixtures	1,018	–	82	–	975	125
• Equipment and machinery	23,683	3,641	5,084	–	582	31,825
• Other property, plant and equipment	4,799	828	2,428	–	689	7,365
TOTAL	**71,997**	**11,980**	**18,650**	**–**	**2,246**	**100,380**

Breakdown of additions to D&A

Straight-line	Diminishing-balance	Extraordinary
13,247	5,402	–

Changes in deferred charges

	Amount at Jan. 1, 2012	Increase during the year	Provisions during the year	Amount at Dec. 31, 2012
Deferred charges	5,944		1,333(1)	4,612

(1) Includes €746,000 in deferred charges on the 2011 €360 million loan.
Includes €587,000 in deferred charges on the 2011 €250 million OCEANE convertible bond.

NOTE 5 EQUITY INTERESTS

Subsidiaries (1)	Currency: capital and equity	Share capital	Reserves, retained earnings and profit for the year (before appropriation)	% held	Book value of shares held		Loans and advances Granted by the Company outstanding At Dec. 31, 2012	Loans and advances received by the Company at Dec. 31, 2012	Net revenue for the year	Profit/(loss) for the year	Dividends received by the Company in FY 2012
					Gross	Net					
	In thousands of currency units						*In thousands of euros*				
MONEYLINE BANKING SYSTEMS SA 229, Bureaux de la Colline 1, rue Royale 92213 Saint-Cloud cedex	EUR	1,899	(115)	15.00%	1,829	–	–	–	6,663	45	
INGENICO VENTURES SAS 28-32, boulevard de Grenelle 75015 Paris	EUR	42,942	15,069	100.00%	42,942	42,942	971	21,411	–	7,255	
INGENICO HEALTHCARE GMBH Konrad-Zuse-Ring 1 24220 Flintbeck, Germany	EUR	500	5,514	100.00%	1,850	1,850	–	4,000	1,786	(1,359)	
NATURAL SECURITY SAS 165, avenue de Bretagne Euratechnologie 59044 Lille	EUR	11,793	(9,532)	6.56%	774	–	–	–	20	(7,136)	
INGENICO GMBH Am Gierath 20 40885 Ratingen, Germany	EUR	1,023	2,671	100.00%	1,027	1,027	7,584	7,273	23,007	1,648	3,000
DI DEUTSCHE INGENICO HOLDING GMBH Am Gierath 20 40885 Ratingen, Germany	EUR	216,203	(133,031)	100.00%	220,063	220,063	75,000	–	–	(2,211)	9,000
INGENICO (UK) LIMITED (2) 17 RidgeWay, Donibristle Industrial Park Dalgety Bay, Dunfermline Fife JY11 9 JU Scotland	GBP	1,000	18,678	100.00%	1,544	1,544	–	16,321	120,650	21,359	17,747
INGENICO ITALIA SpA(2) Via Giorgio Stephenson 43/A 20157 Milano (MI), Italy	EUR	2,000	14,852	100.00%	2,588	2,588	8,709	–	67,429	6,370	5,992
INGENICO IBERIA, S.L. (2) Avenida del Partenón 16-18, 4ª Planta Campo de las Naciones 28042 Madrid, Spain	EUR	8,115	24,723	100.00%	87,191	87,191	22,107	837	61,417	2,721	
INGENICO HUNGARY Big U. 3-5 1022 Budapest, Hungary	HUF	3,000	(112,292)	100.00%	12	12	1,434	–	3,952	571	
INGENICO EASTERN EUROPE I SARL (2) 1, Rue Joseph Hackin L–1746 Luxembourg	EUR	13	(69)	99.00%	905	905	5,547	–	–	(11)	
INGENICO Investment "Luxembourg 1, Rue Joseph Hackin L–1746 Luxembourg	EUR	500	(2,050)	99.99%	508	–	–	–	–	(101)	

(1) Income statement data for foreign subsidiaries are translated into euros at the average exchange rate for the year, balance sheet data at the closing rate.
(2) Sub-group of companies.

Subsidiaries (1)	Currency: capital and equity	Share capital	Reserves, retained earnings and profit for for the year (before appropriation)	% held	Book value of shares held: Gross	Book value of shares held: Net	Loans and advances Granted by the Company outstanding At Dec. 31, 2012	Loans and advances received by the Company at Dec. 31, 2012	Net revenue for the year	Profit/(loss) for the year	Dividends received by the Company in FY 2012
	In thousands of currency units						*In thousands of euros*				
INGENICO (SWITZERLAND) LTD. Impasse des Ecureuils 2 Case postale 56 CH-1763 Granges-Paccot, Switzerland	CHF	140	1,931	100.00%	1,810	1,810	232		3,759	1,486	
INGENICO CORP. (2) Corporation Trust Center 1209 Orange Street Wilmington, Delaware 19801, United States	USD	–	64,016	100.00%	86,229	59,386	15,942	–	–	1,852	
INGENICO LATIN AMERICA INC. (2) 9155 South Dadeland Blvd., Suite 1500 Miami, Florida 33156, United States	USD	1	1,262	100.00%	418	418	2,431	–	9,550	(286)	764
INGENICO DO BRASIL LTDA (2) Alameda Araguaia, n° 2190 Edificio North Tower Condominio CEA II Centre Empresarial Araguaia II, Alphaville CEP 06455-906 Barueri, Brazil	BRL	39,292	42,070	99.88%	18,484	18,484	913	–	185,945	18,682	150
INGENICO PREPAID SERVICES FRANCE SAS 28-32, boulevard de Grenelle 75015 Paris	EUR	500	463	100.00%	8,731	8,731	–	3,518	7,688	477	424
INGENICO HOLDINGS ASIA LIMITED (2) 3806 Central Plaza 18 Harbor Road,Wanchai, Hong Kong	USD	55,629	13,682	100.00%	44,644	44,644	53,812	8,287		4,547	
INGENICO INTERNATIONAL (PACIFIC) PTY LTD (2) 6 Prosperity Parade Warriewood NSW 2102, Australia	AUD	407	16,925	100.00%	692	692	–	12,717	52,619	7,057	20,413
INGENICO INTERNATIONAL (SINGAPORE) Pte Ltd. 600 North Bridge Road #05-01 Parkview Square Singapore 188778, Singapore	SGD	200	(2,372)	100.00%	101	–	24,369	–	37,929	2,359	
INGENICO SOFTWARE SERVICES PHILIPPINES INC. 17th Floors Pearlbank Center 146 Valero Street Salcedo Village–Makati City, Philippines	PHP	9,200	(12,292)	100.00%	118	–	126	–	–	–	
INGENICO ÖDEME SISTEM ÇÖZÜMLERI AS (2) ITU Ayazaga Kampùsù Teknokent ARI 3 Binasi Kat:8 No: 802–804 34469 Maslak, Sariyer–Istanbul Turkey	TRY	19,613	(1,386)	100.00%	18,170	18,170	9,000	–	14,383	1,712	

(1) Income statement data for foreign subsidiaries are translated into euros at the average exchange rate for the year, balance sheet data at the closing rate.
(2) Sub-group of companies.

Subsidiaries [1]	Currency: capital and equity	Share capital	Reserves, retained earnings and profit for for the year (before appropriation)	% held	Book value of shares held		Loans and advances Granted by the Company outstanding At Dec. 31, 2012	Loans and advances received by the Company at Dec. 31, 2012	Net revenue for the year	Profit/(loss) for the year	Dividends received by the Company in FY 2012
					Gross	Net					
	In thousands of currency units						*In thousands of euros*				
INGENICO LLC Godovikova Street, 9, bld. 16 Moscow 119085 Russia	RUB	10	5,270	100.00%	0.27	–	1,372		92	(169)	
INGENICO CZ s.r.o. Myslíkova 25 110 00 Praha 1, Czech Republic	CZK	1,890	77,115	100.00%	70	70	–	2,447	8,142	1,540	1,958
INGENICO INTERNATIONAL INDIA PRIVATE LIMITED Ground Floor 8-12, World Trade Centre Babar Road, Connaught Place New Delhi 110001, India	INR	25,702	(245,304)	100.00%	330	330	–	–	9,512	(2,184)	
MOBILE PAYMENTS SOLUTIONS N.V. Prinses Margrietplantsoen 79, 2595BR 's-Gravenhage (The Hague), Netherlands	EUR	22,500	–	40.00%	9,000	9,000	–	–	–	–	
INGENICO 1 S.A. 28-32, boulevard de Grenelle 75015 Paris	EUR	37	(4)	100.00%	37	37	–	–	–	(4)	
INGENICO 2 S.A. 28-32, boulevard de Grenelle 75015 Paris	EUR	37	(4)	100.00%	37	37	–	–	–	(4)	
INGENICO BARCELONA, S.A. Avenida Vía Augusta, 15-25, planta 5° Edificio B1, Parc Empresarial Sant Cugat del Vallés (Barcelona) Spain	EUR	7,302	–	0.01%	3	–	–	7,371	–	–	
INGENICO PAYMENT SYSTEMS LLC Ul. Shpalernaya 51 191015 Saint Petersburg, Russia	RUB	10	158,216	100.00%	7,000	7000	–	–	17,032	3,479	
M2M APPLICATIONS CARTES A MEMOIRES S.A. 20, Rue Moussa Bnou Noussair Quartier Gauthier 20000 Casablanca, Morocco	MAD	2,250	–	31.00%	152	–			–	(9)	
TOTAL					**557,262**	**526,932**	**229,549**	**84,182**			**59,448**

(1) Income statement data for foreign subsidiaries are translated into euros at the average exchange rate for the year, balance sheet data at the closing rate.
(2) Sub-group of companies.

NOTE 6 RECEIVABLES

Type of receivables *(in thousands of euros)*	Carrying amount	Less than 1 year	1 to 5 years
Receivables on non-current assets			
Loans and advances to subsidiaries and associates	168,337	142,957	25,380
Other financial assets	539	1	538
Receivables on current assets			
Doubtful or disputed accounts	2,396	–	2,396
Other trade receivables	90,481	90,481	–
Income tax receivables	4,403	4,403	–
VAT receivables	4,371	4,371	–
Intra-Group receivables	84,425	84,425	–
Other receivables	1,924	1,924	–
Accrued income	3,626	2,851	775
TOTAL	**360,502**	**331,411**	**29,091**
Prior-year data	**320,297**	**289,117**	**31,181**

NOTE 7 SHORT-TERM INVESTMENTS

Type of assets *(in thousands of euros)*	Cost	Fair value	Impairment
Treasury shares*	5,900	5,900	–
UCITS and other instruments classified as short-term investments	142,399	142,399	–
TOTAL SHORT-TERM INVESTMENTS	**148,299**	**148,299**	

* *Includes a €361,000 liquidity contract.*
Treasury shares held in connection with the liquidity contract but not used are valued at the average price for December.
Given that the average price for December exceeded the acquisition cost, no impairment was recognized at the balance sheet date.

NOTE 8 CHANGES IN SHAREHOLDERS' EQUITY AND TREASURY SHARES

At December 31, 2012, Ingenico's share capital consisted of 52,487,658 shares with a par value of €1 each.

During the year, 507,355 new shares were issued: 8,291 in connection with the exercise of stock options, 423,144 to shareholders in the form of stock dividends and 75,920 in exchange for the shares of Xiring non-controlling shareholders.

Changes in shareholders' equity

(in thousands of euros)	Balance at Jan. 1, 2012	Allocation of net profit for 2011	Movements in 2012	Balance at Dec. 31, 2012
Share capital	51,980	–	507 (1)	52,487
Share premium	496,824	(6,745)	13,337 (2)	503,416
Legal reserve	5,151	49	–	5,200
Retained earnings	11,786	(11,785)	397	398
Net profit for the year	7,509	(7,509)	92,741	92,741
Regulated provisions	4,975	–	4,933	9,908
2011 dividends paid in 2012	–	25,990		–
TOTAL	**578,225**	**0**	**111,916**	**664,151**

(1) *Includes €8,000 in stock options exercised.Includes a capital increase as part of a pre-merger exchange for shares of Xiring non-controlling shareholders totaling €76,000, Includes 13,613 in stock dividends.*
(2) *Includes €82,000 in stock options exercised.*
Includes €358,000 in retrospective tax-accelerated depreciation following the Xiring merger.
Includes 13,613 in stock dividends.

Free share award and stock option plans

	2012		2011	
	Quantity	Net amount in € '000	Quantity	Net amount in € '000
Treasury shares allocated to free share award plans*	-	-	517,940	9,184
Unallocated treasury shares	244,241	5,539	251,049	5,779
Treasury shares held under the liquidity contract	8,396	361	99,495	2,721
TOTAL	**252,637**	**5,900**	**868,484**	**17,684**

* *Not remeasured at fair value.*

Treasury shares

	2012						
	Options/ Free shares outstanding at Jan. 1	Options/Free shares granted during the year	Options/Free share awards exercised during the year	Options/Free shares canceled or expired; other movements	Options/ Free shares outstanding at Dec. 31*	Weighted average life *(in years)*	Weighted average exercise price *(in €)*
Tranche C	1,056	-	1,056	-	-	8	10.36 €
Tranche F	14,406	39	4,235	10,210	-	8	11.07 €
Tranche H	19,611	73	3,000	-	16,684	8	11.01 €
Free shares	68,309	73,000	66,557	2,752	72,000		
Joint investment plan	474,640	392,384	462,366	47,170	357,488		
TOTAL	**578,022**	**465,496**	**537,214**	**60,132**	**446172**		

* *Includes 16,684 exercisable at Dec. 31, 2012.*

NOTE 9 PROVISIONS AND IMPAIRMENT

(in thousands of euros)	Amount at Jan. 1, 2012	Xiring merge Jan. 1, 2012	Additions	Transfers	Reversals of amounts used	Reversals unused amounts	Balance at Dec. 31, 2012
I–Regulated provisions							
Tax-accelerated depreciation and amortization (1)	4,975	1,042	5,516	–	1,625	–	9,908
TOTAL I	**4,975**	**1,042**	**5,516**	**–**	**1,625**	**0**	**9,908**
II–Provisions for liabilities and charges							
Provisions for litigation in comm. courts & industrial tribunals	4,559	–	1,865	(416)	313	278	5,417
Provisions for warranties	533	115	1,102	–	990	–	761
Provisions for foreign exchange losses	3,437	68	1,286	–	3,506	–	1,285
Provisions for retirement benefit obligations	3,296	–	1,054	–	15	–	4,334
Provisions for taxes	104	257	–		361	–	–
Other provisions (2)	15,670	154	6,894	416	12,273	3,927	6,934
TOTAL II	**27,600**	**594**	**12,201**	**–**	**17,458**	**4,205**	**18,730**
III – IImpairment							
Property, plant and equipment	729	–	–	–	729	–	–
Financial assets (3)	17,088	3,278	13,247	–	3,278	8	30,327
Inventories	7,984	805	8,407	–	8,789	–	8,407
Trade receivables	4,670	77	3,331	–	1,808	–	6,271
Other receivables (4)	–		1,372	–		–	1,372
Short-term investments	–		–	–		–	–
TOTAL III	**30,471**	**4,160**	**26,357**	**–**	**14,605**	**8**	**46,377**
TOTAL I + II + III	**63,047**	**5,796**	**44,074**	**–**	**33,688**	**4,213**	**75,017**
Provisions and impairment:							
• for operating items			20,411		17,704		
• for financial items			16,041		6,791		
• for non-recurring items			7,622		13,406		
TOTAL			**44,074**		**37,901**		

(1) Includes €2,716,000 in additions to tax-accelerated depreciation related to IT project implementation.
(2) Includes a provision for free share awards (€1,965,000).
Includes a reversal of provisions for free share awards (€9,859,000).
Includes a provision for EMS quality risk (€2,206,000).
Includes €3,486,000 for quality risk and replacement costs to retrofit customers.
Includes a provision of €1,008,000 for recycling costs.
(3) Includes a provision for impairment of equity investments
(see "Accounting principles and methods – Equity and other long-term investments"):
- *€12,352,000 for Ingenico Corp so that the parent company financial statements now reflect the goodwill impairment losses previously recognized in the consolidated financial statements;*
- *€118,000 for Ingenico Software Services Philippines;*
- *€774,000 for Natural Security.*

(4) Includes €1,372,000 in provisions for impairment of Ingenico Investment Luxembourg's current account.

NOTE 10 BANK BORROWINGS AND LONG-TERM DEBT AND BOND ISSUES

(in thousands of euros)	Balance	Term	Contract
Medium-term borrowings			
OCEANE bonds	250,000	6 years	01/01/2017
Bank loan	210,000	5 years	08/05/2016
Accrued interest on loan	6,876		
Short-term borrowings			
Bank overdrafts	11		
Cash-flow instruments	271		
TOTAL	**467,158**		

Syndicated loan facility

In August 2011, 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, 2012, 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 combined with 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. The specific requirements are 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, 2012 reporting date, both ratios were met.

The arrangement costs for the €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 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 each. 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.

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).

NOTE 11 LIABILITIES

Breakdown of liabilities in 2012 *(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	216,889	59,378	157,511	–
Cash-flow instruments	271	271	–	–
Other borrowings and liabilities	110,257	107,397	2,860	–
Trade payables and related accounts	77,906	77,906	–	–
Payroll and related expenses	19,177	19,177	–	–
Social security and related liabilities	14,587	14,587	–	–
Payables to government	10,715	10,715	–	–
Other taxes and similar duties	1,115	1,115	–	–
Payables to non-current asset suppliers and related accounts	1,000	1,000	–	–
Other liabilities	19,897	19,897	–	–
Deferred income	11,701	5,068	6,633	–
Advances and down-payments received on outstanding orders	504	504	–	–
TOTAL	**734,018**	**317,014**	**417,004**	
Prior-year data	**710,400**	**244,455**	**465,945**	

NOTE 12 CURRENT ASSETS AND LIABILITIES

Current assets *(in thousands of euros)*	31/12/2012	31/12/2011
Trade receivables and related accounts	2,974	1,668
Receivables from social insurance bodies	127	32
Government operating grants	100	–
VAT receivables from government	103	–
Other receivables: Supplier credits earned but not yet received	12	–
Cash and cash equivalents	1,201	454
TOTAL CURRENT ASSETS	**4,518**	**2,153**

Current liabilities	31/12/2012	31/12/2011
Short-term bank and related borrowings	6,878	5,568
Trade payables and related accounts	24,060	23,375
Taxes and social insurance liabilities	29,121	22,863
Other liabilities	18,261	23,577
TOTAL CURRENT LIABILITIES	**78,320**	**75,383**

NOTE 13 BREAKDOWN OF REVENUE

Breakdown by geographical area(in thousands of euros)	2012	2011
France (mainland and overseas depts.)	109,590	85,332
Australia, China and Southeast Asia	77,015	44,049
Western and Central Europe	167,788	146,731
North and South America	74,157	73,212
Middle East	29,526	34,891
Africa	16,570	13,641
TOTAL	**474,646**	**397,856**

NOTE 14 AVERAGE WORKFORCE

Employees	2012	2011
Executives and engineers	667	552
Clerical and manual staff, technicians and supervisors	77	89
TOTAL	**744**	**641**

NOTE 15 CAPITALIZED RESEARCH AND DEVELOPMENT EXPENSES

(in thousands of euros)	2012	2011
Capitalized R&D costs	7,395	5,849
Total R&D costs (expensed and capitalized)	58,543	45,144
% of R&D costs capitalized	**13%**	**13%**

NOTE 16 NET FINANCIAL INCOME AND EXPENSES

Nature *(in thousands of euros)*	**2012**	**2011**
Financial income		
Income from equity investments[1]	73,360	880
Foreign exchange gains	55,558	27,739
Income from other receivables[2]	6,758	14,726
Gains on disposal of short-term investments	1,840	1,946
Reversal of provisions and account transfers[3]	6,791	19,349
Other operating income	308	11
TOTAL FINANCIAL INCOME	**144,615**	**64,651**
Financial expenses		
Foreign exchange losses	53,717	33,168
Amortization and provisions[4]	16,041	3,440
Interest expense	12,412	13,836
Losses on disposal of short-term investments	976	1,588
Debt write-offs	–	8,526
Other financial expenses [5]	1,010	1,631
TOTAL FINANCIAL EXPENSES	**84,157**	**62,191**
Net financial income	**60,458**	**2,460**

(1) Includes dividends:
- *€9,000,000 from DI Deutsche Ingenico Holding;*
- *€17,747,000 from Ingenico UK;*
- *€3,000,000 from Ingenico GmbH;*
- *€1,063,000 from Ingenico do Brasil;*
- *€1,958,000 from Ingenico CZ czh/s.r.o.,*
- *€13,000,000 from Ingenico Iberia;*
- *€5,992,000 from Ingenico Italia;*
- *€764,000 from Ingenico Latin America;*
- *€20,413,000 from Ingenico International Pacific;*
- *€424,000 from Ingenico Prepaid Services.*

(2) Interest on loans to subsidiaries and current accounts.
(3) Includes €3,438,000 in reversals of provisions for foreign exchange losses.
Includes a €772,000 reversal of a provision for impairment of Baracoda equity investment.
Includes a €2,506,000 reversal of a provision for Baracoda debt.
(4) Includes a €12,352,000 provision for impairment of Ingenico Corp equity investment.
(5) Includes €360,000 in interest on a bank pool loan.

NOTE 17 NON-RECURRING INCOME AND EXPENSES

(in thousands of euros)	2012	2011
Non-recurring income		
Gains on disposal of assets (1)	4,633	86
Reversal of tax-accelerated depreciation	1,625	1,066
Reversal of provision for free share awards	9,569	4,120
Reversal of provisions for liabilities	–	374
Reversal of provisions for litigation	1,122	–
Reversal of provisions for taxes	361	–
Account transfers (2)	1,966	5,708
Reversal of shareholding provisions	–	–
Other non-recurring income	843	450
TOTAL NON-RECURRING INCOME	**20,119**	**11,803**
Non-recurring expenses		
Losses on disposal of assets (1)	5,580	334
Tax-accelerated depreciation expense	5,516	3,126
Provisions for free share awards	1,966	5,708
Provisions for litigation	140	828
Provisions for taxes	–	104
Restructuring charge, including severance pay	461	218
Cost of winding up Baracoda Inc	3,087	–
Losses on buybacks of shares (3)	9,569	4,120
Penalties	50	–
Other non-recurring expenses	467	729
TOTAL NON-RECURRING EXPENSES	**26,836**	**15,165**
Net non-recurring expenses	**(6,717)**	**(3,362)**

(1) Includes €3,906,000 on the cost of internal arrangement of the new head office, recharged to the owner of the premises.
(2) The net expense for free share awards has been transferred to the "Wages and salaries" line item in the income statement.
(3) Losses on disposal of Ingenico shares acquired by free share plan beneficiaries.

NOTE 18 INCOME TAXES

Income tax breakdown between profit before non-recurring items and non-recurring profit/(loss)

(in thousands of euros)	2012	2011
Net profit for the year	92,741	7,509
Income tax on profit before non-recurring items	9,130	(192)
Income tax on non-recurring loss	(2,146)	(1,214)
Income tax on profit related to tax consolidation	(101)	(47)
TOTAL INCOME TAX	**6,883**	**(1,453)**
Profit before income tax	99,624	6,056

Changes in deferred tax liabilities

Type of temporary difference	2012	2011
Increase Tax effect at	**36.10%**	**36.10%**
Regulated provisions		
Tax-accelerated depreciation and amortization	3,577	1,796
TOTAL INCREASE	**3,577**	**1,796**
Decrease		
Provisions and expenses not deductible in accounting period		
Impairment of trade receivables	1,314	847
Solidarity contribution	106	80
Construction costs	125	71
Provision for free share awards	84	2,934
Provision for retirement	1,565	1,189
Provision for recycling	364	330
Acquisition expenses	352	619
Equity investments	3	3
Miscellaneous		
Other provisions for HR risk	330	-
Translation losses	407	1,389
TOTAL DECREASE	**4,650**	**7,462**

NOTE 19 DATA RELATED TO SEVERAL BALANCE SHEET AND INCOME STATEMENT ITEMS

Item *(in thousands of euros)*	Amounts involving 2012 Related undertakings	2012 Equity investees of the Company	2011 Related undertakings	2011 Equity investees of the Company
Balance sheet				
Equity interests	554,506	2,756	564,275	774
Loans and advances to subsidiaries and associates	168,337	–	117,640	–
Trade receivables and related accounts	56,242	–	66,098	–
Other receivables	84,425	–	510	–
Other borrowings and liabilities	107,396	–	26,303	–
Trade payables and related accounts	4,758	–	4,696	–
Other liabilities	16,465	–	21,999	–
Profit from operations				
Resale of purchased goods	12,826	–	11,612	–
Sales of goods produced	276,529	–	258,676	–
Sales of services	13,714	–	14,231	–
Other operating income	–	–	0	–
Cost of inventories consumed	(5,146)	–	(6,213)	–
Other purchases and external charges	(9,774)	–	(9,187)	–
Income taxes, taxes other than on income	(165)	–	(59)	–
Other expenses	(329)	–	(186)	–
Depreciation and impairment	–	–	–	–
Financial income				
Financial income	87,943	–	20,543	–
Financial expenses	(11,156)	–	(16,884)	–
Provisions and reversals of provisions	(12,473)	–	10,852	–
Non-recurring income and expenses				
Non-recurring income	273	–	60	–
Non-recurring expenses	–	–	(22)	–

NOTE 20 EXECUTIVE COMPENSATION

The compensation paid to the Company's executive officers in 2012 totaled €1,210,000

NOTE 21 OFF-BALANCE SHEET COMMITMENTS

Commitments given *(in thousands of euros)*			**2012**	**2011**
Various guarantees			6,919	11,508
Individual training rights			591	502
Net asset warranty as part of Sagem Denmark disposal:				
• Tax warranty valid until expiration of time limit for tax claims (May 2013, except for transfer pricing until May 2015)			20,254	20,254
As part of 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 8,800,000	(GBP 20,585,000 in 2011)	10,783	24,644
Forward contracts to purchase AUD	- AUD	(AUD 1,000,000 in 2011)	–	786
Forward contracts to sell AUD	AUD 28,763,000	(AUD 19,550,000 in 2011)	22,627	15,366
Forward contracts to purchase CAD	- CAD	(CAD 500,000 in 2011)	–	378
Forward contracts to sell CAD	CAD 19,553,000	(CAD 18,500,000 in 2011)	14,884	13,999
Forward contracts to purchase USD	USD 69,652,000	(USD 89,131,000 in 2011)	52,791	68,886
Forward contracts to sell USD	- USD	(USD 14,700,000 in 2011)	–	11,361
Forward contracts to sell SGD*	SGD 12,300,000	(SGD 0,000 in 2011)	7,635	–
AUD currency swaps	AUD 16,165,000	(AUD 36,372,000 in 2011)	12,716	28,587
GBP currency swaps	GBP 13,515,000	(GBP 17,035,000 in 2011)	16,560	20,394
USD currency swaps	USD 17,495,000	(USD 83,093,000 in 2011)	13,260	64,219
USD put option	USD 5,500,000	(USD 19,000,000 in 2011)	4,168	14,684
USD call options	USD 5,500,000	(USD 19,000,000 in 2011)	4,168	14,684

** Forward contract to sell SGD 12,300,000 for USD 10,073,000*

Other commitments given	**2012**	**2011**
Net asset warranty as part of disposal of 85% 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 S.A.		

Other commitments received	**2012**	**2011**
Put option on outstanding MBS shares, exercisable in 2013.		
Purchase price to depend on EBIT of MBS in 2012.		

6.5 Statutory auditors' report on the parent company financial statements

Financial year ended December 31, 2012

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' meeting, we hereby report to you, for the financial year ended December 31, 2012, on the following:

- our audit of the attached parent company financial statements of Ingenico S.A.;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been adopted by the Board of Directors. Our role is to express an opinion on 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 Xiring, Moneyline and Ingenico France with and into Ingenico SA, along with the rules used to test these deficits for impairment.
- 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 examined the implementation methods of the impairment tests, as well as the assumptions used. The underlying estimates retained for these tests used assumptions that are uncertain by nature, the realizations may differ significantly from the forward-looking statements used.

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.

The statutory auditors

Paris La Défense, February 28, 2012	Paris, February 28, 2013
KPMG Audit IS	CGEC S.A.
Jean-Pierre Valensi	Sophie Brulebois
Associé	Associée

6.6 Five-year financial summary

(in thousands of euros) Reporting date (12-month accounting period)	31/12/2008	31/12/2009	31/12/2010	31/12/2011	31/12/2012
Capital at year end					
Share capital in thousands of euros	47,792	48,637	51,512	51,980	52,488
Number of ordinary shares issued	47,791,674	48,637,135	51,511,971	51,980,303	52,487,658
Transactions and Results					
Revenue (excluding tax)	344,366	346,505	404,301	397,857	474,646
Profit before income taxes, profit-sharing, depreciation, amortization and provisions	45,067	37,881	32,964	36,268	125,782
Income tax receivables	191	9,457	3,523	(1,453)	6,883
Employee profit-sharing					
EPS after income taxes, profit-sharing, depreciation, amortization and provisions	23,416	32,454	(4,849)	7,509	92,741
Dividends distributed	11,947	14,516	17,764	25,990	
Results per share *(in euros)*					
EPS after income taxes, profit-sharing, but before depreciation, amortization and provisions	0.94	0.58	0.57	0.73	2.27
EPS after income taxes, profit-sharing, depreciation, amortization and provisions	0.49	0.67	(0.09)	0.14	1.77
Dividend per share*	0.25	0.30	0.35	0.50	0.70
Personnel					
Average number of employees	340	414	481	641	744
Total payroll	26,791	36,669	44,775	54,730	62,305
incl. free share grants	3,711	7,137	6,441	5,708	1,966
Total benefits, incl. social security expenses	11,533	14,522	18,709	22,629	31,941

* *Dividend per share proposed at the Combined Ordinary and Extraordinary Shareholders' Meeting of April 29, 2013.*

7

ANNUAL GENERAL SHAREHOLDERS MEETING OF APRIL 29, 2013

7.1 DRAFT AGENDA AND PROPOSED RESOLUTIONS FOR THE ANNUAL GENERAL SHAREHOLDERS MEETING

DRAFT AGENDA

ORDINARY RESOLUTIONS

First Resolution – Approval of the parent company financial statements for the financial year ended December 31, 2012 and approval of non-tax-deductible expenses.

Second Resolution – Approval of the consolidated financial statements for the financial year ended December 31, 2012.

Third Resolution – Allocation of profit for the year and dividend.

Fourth Resolution – Option to receive dividends in cash or in shares, determination of share price, rounding of fractional shares, option declaration period.

Fifth Resolution – Special report of the statutory auditors on related party agreements.

Sixth Resolution – Special report of the statutory auditors on an agreement concluded with Mr. Philippe LAZARE.

Seventh Resolution – Appointment of MAZARS as new co-statutory auditor in replacement of the resigning co-statutory auditor, CGEC.

Eighth Resolution – Appointment of Mr. Jean-Louis SIMON as new co-statutory substitute auditor in replacement of the resigning co-statutory substitute auditor, Mr. Daniel BOULAY.

Ninth Resolution – Determination of the attendance fees allocated to the Board of Directors.

Tenth Resolution – Authorization to trade in Company shares granted to the Board of Directors within the scope of Article L.225-209 of the French Commercial Code, duration, purpose, procedure, limit.

EXTRAORDINARY RESOLUTIONS

Eleventh Resolution – Authorization granted to the Board of Directors to cancel Company shares repurchased by the Company under Article L.225-209 of the French Commercial Code, duration, limit.

Twelfth Resolution – Delegation of authority granted to the Board of Directors to increase the share capital through capitalization of reserves, retained earnings and/or share premiums, duration, maximum nominal amount of increase, rounding of fractional shares.

Thirteenth Resolution – Delegation of authority granted to the Board of Directors to issue ordinary Company shares and/or securities conferring entitlement to Company shares (or of another Group company) and/or to the allotment of debt securities, maintaining preferential subscription rights, duration, maximum nominal amount of increase, possibility to offer non-subscribed shares to the public.

Fourteenth Resolution – Delegation of authority granted to the Board of Directors to issue ordinary Company shares and/or securities conferring entitlement to Company shares (or of another Group company) and/or to the allotment of debt securities, with waiver of preferential subscription rights by public offering and/or in compensation for a public exchange offer, duration, maximum nominal amount of increase, issue price, possibility to limit subscriptions or to allocate non-subscribed securities.

Fifteenth Resolution – Delegation of authority granted to the Board of Directors to issue ordinary Company shares and/or securities conferring entitlement to Company shares (or of another Group company) and/or to the allotment of debt securities, with waiver of preferential subscription rights, by private placement, duration, maximum nominal amount of increase, issue price, possibility to limit subscriptions or to allocate non-subscribed securities.

Sixteenth Resolution – Authorization to increase the number of shares to be issued in the event of excess demand.

Seventeenth Resolution – Delegation of authority granted to the Board of Directors to increase the share capital up to 10% in consideration for contributions in kind made in equity securities and/or securities conferring entitlement to shares.

Eighteenth Resolution – Overall limitation of the authorizations to increase the capital immediately or in the future

Nineteenth Resolution – Delegation of authority granted to the Board of Directors to increase the share capital by issuing Company shares with waiver of preferential subscription rights to employees belonging to a company or group savings plan in accordance with Articles L.3332-18 *et seq.* of the French Labor Code, duration, maximum nominal amount of increase, issue price, possibility to grant free shares as per Article L.3332-21 of the French Labor Code.

Twentieth Resolution – Delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary Company shares with waiver of preferential subscription rights to employees and directors of the Group subsidiaries located in countries outside France who are not members of a Company savings plan, duration, maximum amount of increase, issue price.

Twenty-first Resolution – Authorization granted to the Board of Directors to grant stock options for new or existing shares to certain employees and/or directors and executive officers of the Company and Group companies, waiver of shareholders' preferential subscription rights, duration, limit, exercise price, maximum option period.

Twenty-second Resolution – Authorization granted to the Board of Directors to award new or existing Company shares for free to employees and/or eligible directors and executive officers of the Company and Group companies, waiver of shareholders' preferential subscription rights, duration, limit, vesting period particularly in case of invalidity and holding period.

Twenty-third Resolution – Authorization granted to the Board of Directors to make use of current authorizations and delegations of authority to increase the share capital in the event of a public tender offer with absence of reciprocity, duration.

Twenty-fourth Resolution – Powers for filing and publication formalities.

RESOLUTIONS PROPOSED TO THE ANNUAL SHAREHOLDERS MEETING

ORDINARY RESOLUTIONS

First Resolution – Approval of the parent company financial statements for the financial year ended December 31, 2012

The shareholders, having reviewed the reports from the Board of Directors, the Chairman and the Statutory Auditors' Report on the financial year ended December 31, 2012, hereby approve the parent company's financial statements as presented, which show a net profit of €92,740,776.38.

The shareholders approve the amount of expenses and charges as defined in Article 39-4 of the French General Tax Code, i.e. €58,766, as well as the related tax liability.

As a result, the shareholders decide to grant discharge to the directors for the performance of their management duties for the financial year ended December 31, 2012.

Second Resolution – Approval of the consolidated financial statements for the financial year ended December 31, 2012

The shareholders, having reviewed the reports from the Board of Directors, the Chairman and the Statutory Auditors' Report on the financial year ended December 31, 2012, hereby approve the consolidated financial statements as presented.

Third Resolution – Allocation of profit for the financial year and dividend

The shareholders, upon the recommendation of the Board of Directors, hereby resolve to allocate the net profit for the financial year ended December 31, 2012, in the following manner:

2012 net results

- Net profit for the year 2012 €92.740.776.38
- Retained earnings € 397.275.00
- *Total* *€93.138.051.38*

Allocation

- Legal reserve € 50,000.00
  - *Distributable profit* *€93,088,051.38*
- Dividends* €36,741,360.60

  Composed of:
  - Initial dividend: € *1,837,068.03*
  - Complementary dividend: *€34,904,292.57*
- Carried forward to Retained Earnings €56,346,690.78

* *The total amount of the dividend of €36,741,360.60 is based on the number of shares with dividend rights equal to 52,487,658, including shares owned by the Company. The dividend payable on the shares owned by the Company shall be allocated to the Retained Earnings account at the time of payment. The total dividend amount and, as a consequence, the amount of retained earnings, shall be adjusted according to the number of its shares held by the Company on the dividend payment date and, if applicable, the new shares entitled to dividends resulting from the exercise of stock options, conversion of OCEANE bonds into new shares and vesting of new free shares until the date of the Annual General Shareholders Meeting.*

The Retained Earnings account shall therefore be increased to €56,346,690.78.

The shareholders acknowledge that the total gross dividend per share is set at €0.70, and that the entire amount distributed as dividends is eligible for the 40% tax reduction mentioned in Article 158-3-2 of the French Tax Code.

The ex-dividend date is May 7, 2013.

Dividends shall be paid on June 3, 2013.

The total amount of the dividend paid and the amount allocated to the Retained Earnings account shall be adjusted for any difference between the number of shares entitled to dividends and the 52,487,658 shares of the share capital.

Pursuant to Article 243 bis of the French Tax Code, the shareholders note that the net dividends paid for the last three financial years were as follows:

	Dividends eligible for tax reduction		
For the financial year	Dividends	Other amounts distributed	Dividends not eligible for tax reduction
2009	€14,531,237.70* or €0.30 per share	-	-
2010	€18,036,068.05* or €0.35 per share	-	-
2011	€25,592,876.50* or €0.50 per share	-	-

* *Including dividends paid in shares.*

Fourth Resolution – Option to receive dividends in cash or in shares

The shareholders, after review of the Report of the Board of Directors and in accordance with Article 23 of the Company's Articles of Association, having noted that the entire issued share capital has been fully paid up, hereby resolve to grant to each shareholder, out of the total net dividend amount and in relation to the shares held, the option to receive the dividend in cash or in newly-issued shares.

The price for shares issued as stock dividend shall be equal to 90% of the average share quoted during the twenty trading sessions preceding the date of this Meeting, less the net amount of the dividend, in accordance with Article L.232-19 of the French Commercial Code.

This option is applicable to the entire amount of dividend distributed, i.e., €0.70 per share.

If the net dividend amount to be distributed in shares does not divide up into a whole number of shares, the shareholder may decide:

- either to receive the next lower whole number of shares, with a balancing cash payment paid on option date;
- or to receive the next higher whole number of shares, with the difference paid up in cash.

Shareholders opting for a dividend paid in shares must exercise this option between May 7, 2013 and May 24, 2013, inclusive, through the relevant financial intermediaries authorized to pay the dividend. At the end of this option period, the dividend can only be paid in cash.

Dividends for those shareholders who opt for a cash payment are payable on June 3, 2013. Those shareholders who opt for a stock dividend will receive the newly-issued shares on the distribution date for cash dividends, *i.e.*, June 3, 2013.

Payment of the cash dividend shall be made on June 3, 2013.

The effective date of the shares issued as stock dividend shall be January 1, 2013.

The shareholders hereby resolve to grant the necessary powers to the Board of Directors, with the option of sub-delegation, to perform all actions required to implement this resolution, to record the number of shares issued and the capital increase arising from the new shares issued as stock dividend, to amend the Articles of Association accordingly and to proceed with the publication and filing formalities.

Fifth Resolution – Special report of the statutory auditors on related party agreements

The shareholders, having reviewed the Special Report of the Statutory Auditors, hereby acknowledge that the report indicates that no new related party agreement, as defined by Articles L.225-38 *et seq.* of the French Commercial Code, was concluded during the preceding financial year.

Sixth Resolution – Special report of the statutory auditors on an agreement concluded with Mr. Philippe LAZARE

Deliberating on the Special Report of the Statutory Auditors on related party agreements as presented, the shareholders hereby approve, as may be required and in consideration of his reelection as Chief Executive Officer, the agreement concluded between Mr. Philippe LAZARE, Chairman of the Board and Chief Executive Officer, and the Company in relation to indemnities to be received in the event of termination of his mandate.

Seventh Resolution – Appointment of MAZARS as new co-statutory auditor in replacement of the resigning co-statutory auditor, CGEC

The shareholders, deliberating with the requisite quorum and majority for ordinary general meetings, having acknowledged the resignation of one of the Company's co-statutory auditors, Conseil Gestion Expertise Comptable (CGEC), hereby resolve to appoint MAZARS, Tour Exaltis, 61 rue Henri Regnault, 92075 Paris La Défense Cedex as new co-statutory auditor to serve for the period remaining under the term of appointment of the previous co-statutory auditor, *i.e.*, until the conclusion of the general shareholders meeting deliberating on the financial statements for the year ending December 31, 2015.

Eighth Resolution – Appointment of Mr. Jean-Louis SIMON as new co-statutory substitute auditor in replacement of the resigning co-statutory substitute auditor, Mr. Daniel BOULAY

The shareholders, deliberating with the requisite quorum and majority for ordinary general meetings, having acknowledged the resignation of one of the Company's co-statutory substitute auditors, Mr. Daniel BOULAY, hereby resolve to appoint Mr. Jean-Louis SIMON, 61 rue Henri Regnault, 92400 Courbevoie as new co-statutory substitute auditor to serve for the period remaining under the term of appointment of the previous co-statutory substitute auditor, *i.e.*, until the conclusion of the general shareholders meeting deliberating on the financial statements for the year ending December 31, 2015.

Ninth Resolution – Determination of the attendance fees allocated to the Board of Directors

The shareholders hereby resolve to allocate a total annual amount of €400,000 as directors' attendance fees for the Board of Directors.

This decision is applicable to the current financial year and valid until or unless revoked by a new resolution.

Tenth Resolution – Authorization to trade in Company shares granted to the Board of Directors within the scope of Article L.225-209 of the French Commercial Code

The shareholders, deliberating with the requisite quorum and majority for ordinary general meetings, after review of the Report of the Board of Directors, hereby resolve to authorize the Board of Directors, in accordance with Articles 241-1 to 241-6 of the General Regulations of the *Autorité des marchés financiers* and 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 by any means, on or off the stock market, and on one or more occasions.

The purpose of this authorization is to empower 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 with standard market practices);
- 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 shall act;
- Implement any Company stock option plan as set out by 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 award of Company shares for free 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 company savings plans and/or any other form of share allocation programs for employees and/or directors and executive officers of the Group, 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 shall 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 AMF;
- Cancel all or part of the Company shares purchased as part of a capital reduction, provided that the eleventh resolution is passed by this Meeting;
- And, generally, pursue any aims permitted by law or engage in any acceptable market practices, it being understood that in such cases, the Company would issue a statement to inform its shareholders.

The shareholders hereby resolve that the number of Company shares acquired pursuant to this authorization shall not exceed 10% of the total number of the shares in the share capital at the date of purchase, after deducting the number of shares resold for the duration of the program to maintain liquidity of the Company's shares, it being specified that the share acquisitions made by the Company may under no circumstances permit the Company to hold more than 10% of its total share capital, either directly or indirectly. As an example, on the basis of the share capital at December 31, 2012 (divided into 52,487,658 shares), taking into account the 252,637 treasury shares held at that date, the Company would be authorized to purchase up to a ceiling of 4,996,128 shares.

Shares may be acquired by any means that are in accordance with current stock market legislation and the acceptable market practices published by the AMF, 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. Such block purchases may represent any proportion of the share buyback program, including the entirety thereof. 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 compliance with current market regulations.

The purchase price per share shall not exceed €65. On the basis of the share capital at December 31, 2012, the maximum consideration the Company could pay, if purchasing shares at the maximum price of €65, would be €324,748,320, including the treasury shares held by the Company at that date.

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 implementation of the present authorization, the Board of Directors is hereby granted the necessary powers, with the option of sub-delegation, to perform any and all actions, 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 required.

The present authorization is hereby granted for a period of eighteen months from the date of this Meeting and cancels and replaces the authorization granted to the same effect by the Annual Shareholders' Meeting of May 3, 2012.

EXTRAORDINARY RESOLUTIONS

Eleventh Resolution – Authorization granted to the Board of Directors to cancel Company shares repurchased by the Company under Article L.225-209 of the French Commercial Code

The shareholders, having reviewed the reports of the Board of Directors and the statutory auditors, hereby resolve:

1) To grant authorization to the Board of Directors to cancel Company shares, upon its sole decision, at any time, on one or more occasions, within the limit of 10% of the share capital during the preceding 24-month period, less any shares cancelled during the preceding 24 months, with respect to Company shares held or purchased in compliance with Article L.225-209 of the French Commercial Code, and to reduce the share capital accordingly as provided for by the applicable laws and regulations.
2) To grant this authorization to the Board of Directors for a period of eighteen months as of the date of this Meeting.
3) To grant all necessary powers to the Board of Directors, with the option of sub-delegation as provided for by law, to perform any and all actions for the above-mentioned cancellation of shares and corresponding capital reduction, to amend the Articles of Association accordingly and to carry out all required formalities.

Twelfth Resolution – Delegation of authority granted to the Board of Directors to increase the share capital through capitalization of reserves, retained earnings and/or share premiums

The shareholders, deliberating with the requisite quorum and majority for ordinary general meetings, after review of the Report of the Board of Directors, hereby resolve, in accordance with Articles L.225-129-2 and L.225-130 of the French Commercial Code:

1) To delegate its authority to the Board of Directors to increase the share capital, on one or more occasions, in amounts and on dates to be determined at the Board's discretion, by capitalizing reserves, earnings, share premiums or any other accounts for which capitalization is permitted, whether by award of free shares or by increase of the par value of existing shares, or through a combination of the two procedures.
2) That in the event of a capital increase carried out to award free shares pursuant to Article L.225-130 of the French Commercial Code, the rights to fractions of shares are not transferable nor for sale and the shares corresponding thereto shall be sold; the proceeds from the sale of such shares shall be allocated to the holders of the rights to such shares within the period provided for by applicable laws and regulations.

3) To grant this delegation of authority for a period of eighteen months from the date of this Meeting.

4) That any share capital increase arising from this delegation of authority shall not exceed a maximum nominal amount of 10 million euros, excluding the amount as required by law to safeguard the rights of holders of securities conferring entitlement to Company shares.

   This ceiling is not subject to ceilings set out in other resolutions of this Meeting.

5) To grant to the Board of Directors the necessary powers, with the option of sub-delegation, for the implementation of this resolution and, generally, to do whatever is necessary and perform any and all formalities required to ensure the successful completion of each capital increase, to record each capital increase and to amend the Articles of Association accordingly.

6) That the shareholders hereby acknowledge that this delegation of authority cancels any unused delegations granted by way of previous authorizations with the same purpose as of this date.

Thirteenth Resolution – Delegation of authority granted to the Board of Directors to issue ordinary Company shares and/or securities conferring entitlement to Company shares and/or to the allotment of debt securities, maintaining preferential subscription rights

The shareholders, deliberating with the requisite quorum and majority for ordinary general meetings, after review of the Report of the Board of Directors and the Special Report of the Statutory Auditors, in accordance with the provisions of the French Commercial Code, particularly Article L.225-129-2, hereby resolve:

1) To delegate its authority to the Board of Directors, with the option of sub-delegation as provided for by law, to increase the share capital, on one or more occasions, in amounts and on dates to be determined at the Board's discretion, denominated either in euros, or in foreign currencies, or in any other accounting unit set up based on a series of currencies, by issuing:

   - ordinary shares,
   - and/or securities conferring immediate or future entitlement, either at any time or on a specified date, to ordinary shares of the Company, whether through subscription, conversion, exchange, redemption, presentation of warrants or by any other means,
   - and/or securities conferring entitlement to the allotment of debt securities.

   In accordance with Article L.228-93 of the French Commercial Code, securities may be issued conferring entitlement to ordinary shares of any company that directly or indirectly holds majority ownership in the Company or of any company in which the Company has, directly or indirectly, more than fifty percent ownership;

2) To grant this delegation of authority for a period of twenty-six months as from the date of this Meeting;

3) To set the following ceilings to any securities issued by means of this delegation of authority:

   - the aggregate nominal amount of shares issued pursuant to this delegation of authority shall not exceed €25,000,000, excluding the aggregate nominal amount of supplemental shares to be issued to protect the rights of negotiable securities holders entitled to Company shares, as required by law or, if applicable, to adjust the issuance due to other contractual obligations.
   - issue of debt securities on the Company is limited to a maximum nominal amount of 500 million euros.

   These ceilings are not subject to ceilings set out in other resolutions of this Meeting.

4) That in the event the Board of Directors carries out any issuance referred to in paragraph 1) above under this delegation of authority:

   - the Board of Directors shall grant first right of refusal to shareholders of the Company to subscribe to securities in excess of the minimum number to which they have preferential subscription rights, in proportion to the subscription rights they hold and within the limits of their requests,
   - in the event that the entire issue referred to above is not fully subscribed by shareholders' subscriptions to a higher or lower number of securities, the Board of Directors shall be fully empowered to:
     - limit the issued amount to the amount of subscriptions received, it being specified that with respect to issue of ordinary shares or securities conferring rights to shares, this limit shall apply only if the subscribed amount is at least three-fourths of the amount of the initial issue decided by the Board,
     - freely allot all or part of the unsubscribed securities,
     - sell all or part of the unsubscribed securities through a public offering.

5) To grant to the Board of Directors the necessary powers, with the option of sub-delegation as provided for by law and subject to the limits set forth above, in particular, to determine the terms and conditions of any and all issues carried out, to record the resulting capital increase(s), to amend the Articles of Association accordingly, to resolve at its sole discretion to charge the issuance expenses against the related share premium accounts and to deduct from these share premium accounts the amount necessary to increase the legal reserve to one tenth of the share capital amount after each capital increase, and, generally, to do whatever is required in each case.

6) That the shareholders hereby acknowledge that this delegation of authority cancels any unused delegations granted by way of previous authorizations with the same purpose as of this date.

Fourteenth Resolution – Delegation of authority granted to the Board of Directors to issue ordinary Company shares and/or securities conferring entitlement to Company shares and/or to the allotment of debt securities, with waiver of preferential subscription rights by public offering and/or in compensation for a public exchange offer

The shareholders, after review of the Report of the Board of Directors and the Special Report of the Statutory Auditors, in accordance with the provisions of the French Commercial Code, particularly Article L.225-136, hereby resolve:

1) To delegate its authority to the Board of Directors to increase the share capital through public offering on the French and/or foreign stock markets, on one or more occasions, in amounts and on dates to be determined at the Board's discretion, denominated either in euros, or in foreign currencies, or in any other accounting unit set up based on a series of currencies:

- ordinary shares,
- and/or securities conferring immediate or future entitlement, either at any time or on a specified date, to ordinary shares of the Company, whether through subscription, conversion, exchange, redemption, presentation of warrants or by any other means,
- and/or securities conferring entitlement to the allotment of debt securities.

These securities may be issued as consideration for equity securities contributed to the Company in connection with a public exchange offer which complies with the conditions of Article L.225-148 of the French Commercial Code.

In accordance with Article L.228-93 of the French Commercial Code, securities may be issued conferring entitlement to ordinary shares of any company that directly or indirectly holds majority ownership in the Company or of any company in which the Company has, directly or indirectly, more than fifty percent ownership.

2) To grant this delegation of authority for a period of twenty-six months as from the date of this meeting;.

3) To set a ceiling of €10,000,000 for the aggregate nominal amount of shares to be issued by means of this delegation of authority.

This ceiling does not include the nominal amount of supplemental shares, if any, to be issued to protect the rights of negotiable securities holders entitled to Company shares, as required by law or, if applicable, to adjust the issuance due to other contractual obligations.

The amount of this ceiling shall be deducted from the ceiling on capital increases defined in the eighteenth resolution.

Issue of debt securities on the Company pursuant to this delegation of authority is limited to a maximum nominal amount of 500 million euros, it being specified that this amount shall be deducted from the ceiling defined in the eighteenth resolution.

4) To waive the preferential subscription rights of existing shareholders to subscribe for any ordinary shares, securities conferring entitlement to company shares and/or debt securities issued pursuant to this resolution, with the option for the Board of Directors to offer a priority period, under the conditions provided for by law, during which shareholders may subscribe securities with right of first refusal.

5) That the consideration received or receivable by the Company for each ordinary share issued pursuant to this delegation of authority, including the price of any individual subscription warrants issued, shall not be less than the minimum provided for by applicable laws and regulations at the time that the Board of Directors decides to avail itself of this delegation of authority.

6) That, in the event securities are issued as consideration for securities contributed in connection with a public exchange offer, the Board of Directors has the necessary powers, in accordance with article L.225-148 of the French Commercial Code and subject to the limits set forth above, to prepare the list of securities contributed in the exchange, to determine the terms and conditions of issuance, the exchange ratio and, if any, the amount of any balancing cash payment and to determine the issuance procedures.

7) That, in the event that the entire issue referred to in 1) above is not fully subscribed, the Board of Directors shall be fully empowered to:

- limit the issued amount to the amount of subscriptions received, it being specified that with respect to issue of ordinary shares or securities conferring rights to shares, this limit shall apply only if the subscribed amount is at least three-fourths of the amount of the initial issue decided by the Board,
- freely allot all or part of the unsubscribed securities.

8) To grant to the Board of Directors the necessary powers, with the option of sub-delegation as provided for by law and subject to the limits set forth above, in particular, to determine the terms and conditions of any and all issues carried out, to record the resulting capital increase(s), to amend the Articles of Association accordingly, to resolve at its sole discretion to charge the issuance expenses against the related share premium accounts and to deduct from these share premium accounts the amount necessary to increase the legal reserve to one tenth of the share capital amount after each capital increase, and, generally, to do whatever is required in each case.

9) That the shareholders hereby acknowledge that this delegation of authority cancels any previous authorizations with the same purpose.

Fifteenth Resolution – Delegation of authority granted to the Board of Directors to issue ordinary Company shares and/or securities conferring entitlement to Company shares and/or to the allotment of debt securities, with waiver of preferential subscription rights, by private placement

The shareholders, after review of the Report of the Board of Directors and the Special Report of the Statutory Auditors, in accordance with the provisions of the French Commercial Code, in particular Article L.225-136, hereby resolve:

1) To delegate its authority to the Board of Directors to increase the share capital, on one or more occasions, in amounts and on dates to be determined at the Board's discretion, on the French and/or foreign stock markets, by way of an offering as defined in Article L.411-2 II of the French Monetary and Financial Code, denominated either in euros, or in foreign currencies, or in any other accounting unit set up based on a series of currencies:

- ordinary shares,
- and/or securities conferring immediate or future entitlement, either at any time or on a specified date, to ordinary shares of the Company, whether through subscription, conversion, exchange, redemption, presentation of warrants or by any other means,
- and/or securities conferring entitlement to the allotment of debt securities.

In accordance with Article L.228-93 of the French Commercial Code, securities may be issued conferring entitlement to ordinary shares of any company that directly or indirectly holds majority ownership in the Company or of any company in which the Company has, directly or indirectly, more than fifty percent ownership;

2) To grant this delegation of authority for a period of twenty-six months as from the date of this Meeting;

3) To set a ceiling of €10,000,000 for the aggregate nominal amount of shares to be issued by means of this delegation of authority;

This ceiling does not include the nominal amount of supplemental shares, if any, to be issued to protect the rights of negotiable securities holders entitled to Company shares, as required by law or, if applicable, to adjust the issuance due to other contractual obligations.

The amount of this ceiling shall be deducted from the ceiling on capital increases defined in the eighteenth resolution.

Issue of debt securities on the Company pursuant to this delegation of authority is limited to a maximum nominal amount of 500 million euros, it being specified that this amount shall be deducted from the ceiling defined in the eighteenth resolution.

4) To waive the preferential subscription rights of existing shareholders to subscribe for any ordinary shares, securities conferring entitlement to Company shares and/or debt securities issued pursuant to this resolution.

5) That the consideration received or receivable by the Company for each ordinary share issued pursuant to this delegation of authority, including the price of any individual subscription warrants issued, shall not be less than the minimum provided for by applicable laws and regulations at the time that the Board of Directors decides to avail itself of this delegation of authority.

6) That, in the event that the entire issue referred to in 1) above is not fully subscribed, the Board of Directors shall be fully empowered to:
   - limit the issued amount to the amount of subscriptions received, it being specified that with respect to issue of ordinary shares or securities conferring rights to shares, this limit shall apply only if the subscribed amount is at least three-fourths of the amount of the initial issue decided by the Board,
   - freely allot all or part of the unsubscribed securities;

7) To grant to the Board of Directors the necessary powers, with the option of sub-delegation as provided for by law and subject to the limits set forth above, in particular, to determine the terms and conditions of any and all issues carried out, to record the resulting capital increase(s), to amend the Articles of Association accordingly, to resolve at its sole discretion to charge the issuance expenses against the related share premium accounts and to deduct from these share premium accounts the amount necessary to increase the legal reserve to one tenth of the share capital amount after each capital increase, and, generally, to do whatever is required in each case.

8) That the shareholders hereby acknowledge that this delegation of authority cancels any previous authorizations with the same purpose.

Sixteenth Resolution – Authorization to increase the number of shares to be issued in the event of excess demand

The shareholders, deliberating with the requisite quorum and majority for ordinary general meetings, after review of the reports of the Board of Directors and of the Statutory Auditors, hereby resolve that for each issue of ordinary shares or securities conferring entitlement to Company shares which shall be decided by application of the thirteenth to fifteenth resolutions above, the number of securities can be increased according to the conditions set forth in Article L.225-135-1 of the French Commercial Code and within the limits defined by the general meeting, to fulfill any eventual oversubscriptions of shares or securities.

Seventeenth Resolution – Delegation of authority granted to the Board of Directors to increase the share capital up to 10% in consideration for contributions in kind made in equity securities and/or securities conferring entitlement to shares

The shareholders, deliberating with the requisite quorum and majority for extraordinary general meetings, after review of the reports of the Board of Directors and of the Statutory Auditors, and in accordance with Article L.225-147 of the French Commercial Code, hereby resolve:

1) To delegate its authority to the Board of Directors to proceed, upon report from the independent appraiser on the contribution valuation, with the issue of ordinary shares or securities entitling the holder to ordinary Company shares as compensation for contributions in kind made to the Company, composed of equity securities or negotiable securities entitling holder to Company shares, in cases when the provisions of Article L.225-148 of the French Commercial Code do not apply.

2) That this authorization shall be valid for a period of twenty-six months as from the date of this Meeting.

3) That the aggregate nominal amount of ordinary shares issued within the scope of this authorization shall not exceed 10% of the share capital amount at the date of this Meeting, and such limit would be deducted from the ceiling defined in the eighteenth resolution; it being specified that this amount does not include the nominal amount of supplemental ordinary shares to be issued to safeguard, as required by law or, if applicable, to adjust, the rights of negotiable securities holders entitled to Company shares.

4) To grant to the Board of Directors the necessary powers, with the option of sub-delegation as provided for by law, in particular, to proceed with the approval of the contribution valuation report, to decide the appropriate increase in share capital as a consequence, to record the resulting capital increase, to charge the issuance expenses, if any, against the related share premium accounts, to deduct from these share premium accounts the amount necessary to increase the legal reserve to one tenth of the share capital amount after each capital increase, to amend the Articles of Association accordingly and, generally, to do whatever is required in each case.

5) That the shareholders hereby acknowledge that this delegation of authority cancels any unused delegations granted by way of previous authorizations with the same purpose as of this date.

Eighteenth Resolution – Overall limitation of the authorizations to increase the capital immediately or in the future

The shareholders, deliberating with the requisite quorum and majority for extraordinary general meetings, after review of the Report of the Board of Directors, and as a consequence of the resolutions decided above, hereby resolve:

- that the overall limitation on the nominal amount of any share capital increases, immediate or future, which would be decided by the Board of Directors pursuant to the delegations of authority contained in the fourteenth, fifteenth, sixteenth and seventeenth resolutions is 10 million euros, to which shall be added the nominal amount of supplemental shares, if any, to be issued to protect the rights of negotiable securities holders entitled to Company shares, as required by law or, if applicable, to adjust the issuance due to other contractual obligations;

- that the overall limitation on the maximum aggregate nominal amount for issue of debt securities pursuant to the fourteenth, fifteenth, sixteenth and seventeenth resolutions is 500 million euros.

Nineteenth Resolution – Delegation of authority granted to the Board of Directors to increase the share capital by issuing Company shares, with waiver of preferential subscription rights, to employees belonging to a company or group savings plan in accordance with Articles L.3332-18 et seq. of the French Labor Code

The shareholders, after review of the Report of the Board of Directors and the Special Report of the Statutory Auditors, in accordance with Articles L.225-129-6 and L.225-138-1 of the French Commercial Code and Articles L.3332-18 *et seq.* of the French Labor Code, hereby resolve:

1) To authorize the Board of Directors, as it deems necessary and upon its sole decision, to increase the capital, on one or more occasions, by issue of ordinary shares for cash consideration and, if applicable, by free ordinary share grants or other negotiable securities entitled, immediately or in the future, to Company shares, reserved for employees (and directors and executive officers) belonging to a company or group savings plan (as such group is defined in Article L.225,180 of the French Commercial Code).

2) To waive, in favor of the above-mentioned beneficiaries, their preferential subscription rights to subscribe for any securities issued pursuant to this authorization.

3) To grant this delegation of authority for a period of eighteen months from the date of this Meeting.

4) To limit the maximum nominal amount of each share capital increase within the scope of this authorization to 2% of the share capital amount as of the date of decision by the Board of Directors; this limit is not subject to any other ceiling with respect to authorizations granted for capital increases.

5) That subscription price of securities issued within the scope of paragraph 1) of this resolution, shall not be lower nor higher than 20%, or 30% if the plan vesting period is equal to or more than 10 years, in accordance with Articles L.3332-25 and L.3332-26 of the French Labor Code, of the average of the quoted prices during the twenty stock market trading sessions preceding the date of decision by the Board of Directors relating to the above-mentioned share capital increases and related securities issue.

6) That this delegation of authority cancels any previous authorizations with the same purpose as of this date.

The Board of Directors, with the option of sub-delegation as provided for by law, shall decide whether it make use or not of this authorization, perform all necessary acts and proceed with the requisite formalities.

Twentieth Resolution – Delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary Company shares, with waiver of preferential subscription rights, to employees and directors of the Group subsidiaries located in countries outside France who are not members of a Company savings plan

The shareholders, deliberating with the requisite quorum and majority for extraordinary general meetings, after review of the Report of the Board of Directors and the Special Report of the Statutory Auditors, in accordance with Articles L.225-129-2 and L.225-138 of the French Commercial Code, hereby resolve:

1) To delegate its authority to the Board of Directors, with the option of sub-delegation as provided for by law, to proceed with issuance of ordinary shares of the Company, on one or more occasions, reserved for employees, directors and executive officers of the subsidiaries under the Company's control as defined in Article L.233-16 of the French Commercial Code, located in countries outside France (the "Subsidiaries") paid for either in cash or by offsetting receivables.

2) That (i) the nominal amount of each share capital increase falling within the scope of this authorization shall not exceed 2% of the share capital amount at the date of the decision by the Board of Directors deciding the subscription period, it being specified that this limit does not include the nominal amount of supplemental ordinary shares to be issued to safeguard, as required by law, the rights of securities holders or other rights entitling them to Company shares or, if applicable, to adjust the issuance due to other contractual obligations related thereto; and that (ii) the nominal amount of each share capital increase of the Company, immediate or in the future, resulting in issuance pursuant to this delegation of authority is not subject to any other ceiling with respect to authorizations granted for capital increases.

3) That the shareholders acknowledge that the Board of Directors, with the option of sub-delegation as provided for by law, may decide to issue shares exclusively offered for subscription to the employees of Subsidiaries concurrently with or independently of one or more share subscriptions offered to the existing shareholders, to employees who are members of a group savings plan or to third parties;

4) That the exercise price for subscription for the newly-issued shares shall be determined by the Board of Directors on the date of its decision deciding the start of the subscription period, using one of the following methods at the option of the Board of Directors:
   - the exercise price for subscription shall be equal to the average of the opening prices quoted for the Company shares on the Euronext Paris stock market over the twenty trading days preceding the date of the Board's decision, less a maximum discount of 20%, or
   - the exercise price for subscription shall be equal to the opening price quoted for the Company's shares on the Euronext Paris stock market on the date of the Board's decision, less a maximum discount of 20%, it being specified that the method to be implemented or the amount of discount to be deducted may vary according to the capital increases or the beneficiaries involved.

5) To waive their preferential subscription rights in favor of the employees, directors and executive officers of the Subsidiaries.

6) That the Board of Directors shall be fully empowered, with the option of sub-delegation as provided for by law, to implement this delegation of authority and, in particular, to accomplish the following:
   - determine the date, the terms and conditions for the issue of shares with or without premiums, and determine the aggregate number of shares to be issued,
   - establish the list of beneficiaries among the employees, directors and executive officers of Subsidiaries, and determine the number of shares to which each of them shall be allowed to subscribe,
   - set the exercise price of the stock subscription, in compliance with the methods set forth in 4) above,

- set the terms of payment for the shares within the statutory framework,
- set the date from which the shares to be issued shall carry dividend rights,
- proceed, if need be, to charge any costs against the issue premium or premiums, particularly issuance costs,
- request, if need be, the admission of the newly-issued shares to trading on the Euronext Paris stock market or on any other regulated stock market,
- make all agreements required to ensure the successful completion of the planned share issues and amend the Articles of Association accordingly,
- do whatever is necessary to safeguard the rights of holders of securities conferring future entitlement to Company shares in accordance with applicable laws and regulations,
- and generally, determine the terms and conditions for the transactions carried out pursuant to this resolution, record the completion of the capital increases and perform all legal formalities required in accordance with Articles L.225-129-2 and L.225-138 of the French Commercial Code.

7) That this delegation of authority is hereby granted for a period of eighteen months from the date of this Meeting and cancels any unused delegations granted by way of previous authorizations with the same purpose as of this date.

Twenty-first Resolution – Authorization granted to the Board of Directors to grant stock options for new or existing shares to certain employees and/or directors and executive officers and, in particular, with respect to the fidelity programs aimed at management teams of newly-acquired companies

The shareholders, after review of the Report of the Board of Directors and the Special Report of the Statutory Auditors, hereby resolve:

- To authorize the Board of Directors, in accordance with Articles L.225-177 to L.225-185 of the French Commercial Code, to grant stock options on more or more occasions to the beneficiaries listed below entitling them to subscribe for shares issued by the Company in connection with a capital increase or to purchase existing Company shares repurchased by the Company as provided for by law;
- That this authorization is valid for a period of thirty-eight months from the date of this Meeting;
- That only the following persons shall be eligible to receive these stock options:
  - the employees, certain employees or specific categories of employees of Ingenico and, where applicable, the Subsidiaries, and
  - the directors and executive officers of the Company and the Subsidiaries who fulfill the requirements set forth in Article L.225-185 of the French Commercial Code;
- That share subscription or share purchase options granted under this authorization shall be acquired at the end of a minimum vesting period of not less than two years, to be determined by the Board of Directors, provided the beneficiaries hold the shares for an additional mandatory holding period of not less than two years following vesting.

  However, if the vesting period for all or part of several grants would be a minimum of four years, the Board of Directors is authorized to waive any further holding period thereafter for the vested shares;
- That performance criteria established by the Board of Directors shall determine the conditions and number of share subscription or share purchase options granted to the eligible directors and executive officers as mentioned above;
- That the maximum number of shares subscribed or purchased by way of stock options awarded by the Board of Directors under this authorization shall not exceed 2% of the Company's share capital amount as of the date of initial grant, it being noted that the total number of shares to be subscribed or purchased under stock option grants shall be deducted from the ceiling defined in the twenty-second resolution.
- That the share subscription price and/or purchase price to be paid by the beneficiaries shall be determined on the date of the Board of Directors' decision granting the stock options.

  With respect to stock options, the price for share subscription shall not be lower than the average of the opening prices of the Company share quoted during the twenty trading sessions of the Paris Euronext market preceding the date of grant by the Board of Directors. With respect to share purchase options, the purchase price exercised by the beneficiaries shall not be lower than the average purchase price of the treasury shares held by the Company as per Articles L.225-208 and L.225-209 of the French Commercial Code.
- That this authorization provides for express renunciation from time to time of shareholders' preferential subscription rights for shares issued in favor of the beneficiaries at the end of each vesting period.
- To grant all necessary powers to the Board of Directors to determine the other terms, conditions and procedures for granting and exercising the stock options and, in particular, to accomplish the following:
  - Determine the terms and conditions for granting the stock options and establish the list of beneficiaries or determine which categories of employees shall be eligible as provided for above, and, where applicable, define any seniority eligibility requirements; decide on the conditions requiring adjustment of the price and number of shares, specifically in connection with the possible circumstances described in Articles R.225-137 to R.225-142 of the French Commercial Code;
  - For options granted to directors and executive officers falling within the scope of the above-mentioned articles, determine whether the shares shall be vested before termination of their functions or determine the number of shares issued upon vesting which the latter shall be required to hold in their own name until the end of their mandate;
  - Set the vesting period(s) for stock options granted, it being understood that the stock options must be exercised within a period of ten years from the date of grant;
  - Provide for suspension of the exercise of the stock options for a period not to exceed three months in the event of financial transactions affecting the exercise of rights attached to Company shares;
  - Perform any and all acts necessary to render effective any capital increases carried out pursuant to this authorization, particularly by performing all the formalities required, amending the Articles of Association accordingly and generally doing whatever is necessary for this purpose;
  - Charge the share issuance costs against the related share premium accounts and deduct from these premiums the amount necessary to increase the legal reserve to one tenth

of the new share capital after each capital increase, as may be decided by the Board of Directors at its sole discretion and as deemed appropriate;

- That this authorization cancels and replaces any previous authorizations with the same purpose.

Twenty-second Resolution – Authorization granted to the Board of Directors to award Company shares for free to employees and/or eligible directors and executive officers, in particular, with respect to the fidelity programs aimed at management teams of newly-acquired companies

The shareholders, after review of the Report of the Board of Directors and the Special Report of the Statutory Auditors, hereby resolve to authorize the Board of Directors to proceed, on one or more occasions, as provided for by Articles L.225-129-1 *et seq.* and L.229-197-1 *et seq.* of the French Commercial Code, to award existing or newly-issued Company shares free of charge for the benefit of:

- employees of the Company or companies held or controlled directly or indirectly by the Group, pursuant to Article L.225-197-2 of the French Commercial Code;
- and/or directors and executive officers of the Company or companies held or controlled directly or indirectly by the Group, pursuant to Article L.225-197-2 of the French Commercial Code.

The total number of shares which can be allotted for free shall not exceed 5% of the Company's share capital amount as of the date of initial grant awarded by the Board of Directors, it being noted that from this ceiling shall be deducted the total number of shares to be subscribed or purchased under stock options as defined in the twenty-first resolution above.

Shares granted for free shall only be acquired at the end of a minimum vesting period of not less than two years to be determined by the Board of Directors; and the beneficiaries shall be required to hold such shares for an additional mandatory holding period of not less than two years after vesting date, to be determined by the Board of Directors.

However, if the vesting period for all or part of several grants would be a minimum of four years, the Board of Directors is authorized to waive any further holding period thereafter for the vested shares.

The performance criteria to acquire the number of shares under share grants to eligible directors and executive officers as mentioned above shall be determined by the Board of Directors.

Exceptionally, final vesting of share grants shall take place before the end of the vesting period in the event any beneficiary corresponds to the second or third category as defined under Article L.341-4 of the French Social Security Code.

The Board of Directors is granted the necessary powers to accomplish, in particular, the following:

- Determine the terms and conditions and, where applicable, the criteria for awarding free shares;
- Determine the beneficiaries to be awarded shares for free as well as the number of shares allotted to each beneficiary;
- Establish the performance criteria for share granted for free to eligible directors and executive officers of the Company and Subsidiaries as defined in Article L.225-197-2 of the French Commercial Code;
- Determine the effect on the beneficiaries' rights of any transactions affecting the Company's share capital or liable to affect the value of the shares awarded and acquired during the vesting and holding periods and, as required, alter or adjust accordingly the number of shares awarded to safeguard the rights of these beneficiaries;
- And as necessary:
  - verify that the Company has sufficient reserves and, at the time of each free share award, transfer the amount required to pay for the new share subscription to an unavailable reserve account,
  - resolve to increase the share capital, on one or more occasions, through capitalization of retained earnings, share premiums or profits at the time when shares are awarded for free,
  - acquire the requisite number of Company shares under the share buyback program and transfer those shares to the free share award plan,
  - take any steps necessary and useful to ensure that the beneficiaries hold their shares for the requisite holding period,
  - generally do whatever is required to implement this authorization in compliance with applicable laws and regulations.

This authorization implies as a matter of law renunciation of shareholders' preferential subscription rights for new shares issued by capitalization of retained earnings, share premiums and profits.

This authorization is valid for a period of thirty-eight months as from the date of this Meeting.

All previous authorizations with the same purpose are hereby cancelled.

Twenty-third Resolution – Use of delegations of authority in the event of a public tender offer with absence of reciprocity

The shareholders, upon review of the Report of the Board of Directors, within the scope of Article L.233-33 of the French Commercial Code, hereby resolve:

- To authorize the Board of Directors to make use, during a public tender offer for Company shares, of delegations of authority and authorizations granted to it by this Meeting and, as appropriate, by the Annual General Shareholders meeting of May 3, 2012.
- That this authorization is valid for a period of eighteen months as from the date of this Meeting.
- That the Board of Directors shall have all necessary powers, with the option of sub-delegation as provided for by law, to make use of this authorization in accordance with the provisions of French Law.

Twenty-Fourth Resolution – Powers for filing and publication formalities

The shareholders grant all powers necessary to accomplish the formalities of filing and publication required by law to anyone in possession of an original, copy or extract of this Meeting.

7.2 Presentation of the resolutions proposed to the Annual General Shareholders Meeting

ORDINARY RESOLUTIONS

Approval of the Company's annual financial statements and allocation of the net income (First, Second, Third and Fourth Resolutions)

In the first resolution, the Board of Directors request your approval on the parent company financial statements for the year ended December 31, 2012, as presented in the Report of the Board of Directors, as well as all transactions covered and summarized therein.

The parent company financial statements show a net profit of €92,740,776.38.

Your approval it also requested on the amount of €58,766 accounted for as a non-tax-deductible expense as per Article 39-4 of the French Tax Code as well as the corresponding tax incurred and on the discharge to be granted to the directors for the performance of their management duties for the 2012 financial year.

In the second resolution, the consolidated financial statements for the 2012 financial year are submitted for your approval, as per Article L.225-100 of the French Commercial Code.

In the third resolution, we propose to allocate the net profit of €92,740,776.38 for the financial year ended December 31, 2012 as follows:

2012 net results

■ Net profit for the year 2012	€92,740,776.38
■ Retained earnings	€397,275.00
■ *Total*	*€93,138,051.38*

Allocation

■ Legal reserve	€50,000.00
▪ *Distributable profit*	*€93,088,051.38*
■ Dividends*	€36,741,360.60
composed of:	
▪ *Initial dividend: €1,837,068.03*	
▪ *Complementary dividend: €34,904,292.57*	
■ Carried forward to Retained Earnings	€56,346,690.78

The Retained Earnings account shall therefore be increased to €56,346,690.78.

Consequently, a dividend of €0.70 per share shall be paid on the 52,487,658 shares with dividend rights in the Company's share capital as at December 31, 2012.

The ex-dividend date is May 7, 2013.

The fourth resolution proposes to the shareholders meeting, in compliance with Articles L.232-18 *et seq.* of the French Commercial Code and with Article 23 of the Company's Articles of Association and after acknowledging that the share capital is fully paid-up, to grant to each shareholder, out of the total net dividend amount distributed and in relation to shares held, the option to receive the dividend, at his/her discretion, in cash or in shares. New shares will be ranked similar to the existing shares. The effective date of the new share issue shall be January 1, 2013.

The price for shares issued as stock dividend shall be fixed at 90% of the average share price listed on Euronext Paris at closing of the twenty trading sessions preceding the date of this annual general shareholders meeting, less the net dividend amount, in accordance with Article L.232-19 of the French Commercial Code. The Board of Directors shall be authorized to round-up the final share issue price thus obtained to the next higher price.

Each shareholder shall opt for one or the other method of payment of the dividend, applicable to the entire amount of the dividend. The option for the payment of the dividend in new Ingenico shares must be exercised from May 7, 2013 to May 24, 2013, inclusive, through the relevant financial intermediaries, for shares registered in an administered custodial account or in bearer form as well as for shares registered in a nominal share account held by the Company. At the end of this option period, the dividend can only be paid in cash.

If the amount of the dividend does not divide up into a whole number of shares, the shareholder may decide to receive a number of shares calculated as follows:

- either round down to the next lower whole number, with a balancing cash payment made to the shareholder by the Company corresponding to the difference between the dividend amount and the subscription price of the next lower number of shares;
- or round up to the next higher whole number, the difference paid in cash by the shareholder on option date.

For shareholders opting for a dividend paid in cash, the corresponding amount shall be paid at the end of the option period, *i.e.*, June 3, 2013. Final issuance date of new shares for those shareholders opting

* *The total amount of the dividend of €36,741,360.60 is based on the number of shares with dividend rights equal to 52,487,658, including shares owned by the Company. The dividend payable on the shares owned by the Company shall be allocated to the Retained Earnings account at the time of payment. The total dividend amount and, as a consequence, the amount of retained earnings, shall be adjusted according to the number of its shares held by the Company on the dividend payment date and, if applicable, the new shares entitled to dividends resulting from the exercise of stock options, conversion of OCEANE bonds into new shares and vesting of new free shares until the date of the Annual General Shareholders Meeting.*

for dividend paid out in shares shall be the same date as the cash dividend payment, *i.e.*, June 3, 2013.

The entire amount of the dividend is eligible for the 40% tax reduction under the conditions provided for in Article 158.3.2 of the French Tax Code.

As a consequence, your approval is sought to grant all necessary powers to the Board of Directors, with the right to sub-delegate such powers to any person according to the conditions set out by law and regulations, in order to perform all actions required to implement this resolution, including the power to determine the share issue price under the conditions as defined above, to record the number of shares issued and the capital increase arising from the new share issue, to amend the Articles of Association with respect to the Company's share capital, to arrange for all formalities and generally, do everything necessary and useful for the complete execution of the transactions decided in these resolutions.

Special report of the statutory auditors on related party agreements (Fifth and Sixth Resolutions)

The Board of Directors recommends your approval of the Special Report of the Statutory Auditors with respect to related party agreements as defined by Articles L.225-38 *et seq.* of the French Commercial Code. This Special Report indicates that (i) no new related party agreement has been concluded during the financial year ended December 31, 2012, and (ii) the agreements previously approved by the general shareholders meeting continued to be effective during the 2012 financial year.

Approval of an agreement concluded with Mr. Philippe LAZARE (Sixth Resolution)

The Board of Directors recommends your approval, as may be required and in consideration of his reelection as Chief Executive Officer on May 3, 2012, of the agreement concluded with Mr. Philippe LAZARE referred to in the statutory auditors' report, it being specified that no amendments were made to this agreement since its approval by the general shareholders meeting of May 3, 2012.

Appointment of new co-statutory auditors (Seventh and Eighth Resolutions)

The seventh and eighth resolutions propose the appointment of:

- MAZARS as new co-statutory auditor in replacement of the resigning co-statutory auditor, CGEC;
- Mr. Jean-Louis SIMON as new co-statutory substitute auditor in replacement of the resigning co-statutory substitute auditor, Mr. Daniel BOULAY;

to serve for the period remaining under the term of appointment of the previous co-statutory auditors, *i.e.*, until the conclusion of the general shareholders meeting deliberating on the financial statements for the year ending December 31, 2015.

Determination of the attendance fees allocated to the Board of Directors (Ninth Resolution)

The ninth resolution proposes to the general shareholders meeting to reduce the amount allocated for directors' attendance fees to €400,000 in light of the decrease in the number of Board members.

Authorization to trade in Company shares granted to the Board of Directors (Tenth Resolution)

The authorization granted by the general shareholders meeting of May 3, 2012, shall soon expire; therefore, we request your approval to authorize the Board of Directors to trade in the shares of the Company up to a maximum purchase price of €65 per share and for a maximum aggregate amount of €324,748,320.

The purpose of this authorization is to empower 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 with standard market practices);
- 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 shall act;
- Implement any Company stock option plan as set out by 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 award of Company shares for free 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 company savings plans and/or any other form of share allocation programs for employees and/or directors and executive officers of the Group, 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 shall 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 AMF;
- Cancel all or part of the Company shares purchased as part of a capital reduction, provided that the eleventh resolution is passed by this Meeting;
- And, generally, pursue any aims permitted by law or engage in any acceptable market practices, it being understood that, in such cases, the Company would issue a statement to inform its shareholders.

The general shareholders meeting hereby resolves that the number of Company shares acquired pursuant to this authorization shall not exceed 10% of the total number of the shares in the share capital at the date of purchase, after deducting the number of shares resold for the duration of the program to maintain liquidity of the Company's shares. The share acquisitions made by the Company may under no circumstances permit the Company to hold more than 10% of its total share capital, either directly or indirectly. Consequently, on the basis of the share capital at December 31, 2012 (divided into 52,487,658 shares), taking into account the 252,637 treasury shares held at that date, the Company would be authorized to purchase up to a ceiling of 4,996,128 shares.

Shares may be acquired by any means that are in accordance with current stock market legislation and the acceptable market practices published by the AMF, 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 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 compliance with current market regulations.

The present authorization is hereby granted for a period of eighteen months from the date of this general shareholders meeting and cancels and replaces the authorization granted to the same effect by the Annual Shareholders' Meeting of May 3, 2012.

EXTRAORDINARY RESOLUTIONS

The following resolutions submitted for your approval relate principally to delegations of authority and authorizations granted to the Board of Directors with respect to financial matters.

The general shareholders meeting of the Company grant to the Board of Directors on a regular basis the necessary powers to issue ordinary shares of the Company and/or negotiable securities, with or without maintaining shareholders' preferential rights, in order to better respond to the financing needs of the Group.

Previously, the Board of Directors were granted various delegations of authority and authorizations pertaining to financial matters by the ordinary and extraordinary general shareholders meetings held May 11, 2010, April 28, 2011 and May 3, 2012. Most of these delegations of authority and authorizations have expired or are due to expire shortly. Pursuant to Article L.225-100 paragraph 7 of the French Commercial Code, the Report of the Board of Directors for the financial year 2012 specifies the manner in which such delegations of authority and authorizations have been utilized by the Board of Directors.

Therefore, your approval is requested to renew these delegations of authority and authorizations to the Board of Directors in order to issue ordinary shares and/or negotiable securities conferring immediate or future entitlement to the Company's share capital and/or to the allotment of debt securities. These delegations of authority and authorizations would ensure the requisite flexibility for the Company to realize financial transactions according to favorable market conditions and the Group's needs, in particular, to finance the strategic development of the Group.

In the event that financial securities are issued, the Company intends favoring share issues maintaining shareholders' preferential subscription rights. Nevertheless, specific instances may warrant, in the best interest of the shareholders, the waiver of their preferential subscription rights. In such a case, the Company could therefore benefit from such opportunities available on the financial market, in particular, on the bond markets.

The Company could also offer to the employees various programs for them to benefit from the growth of the Company, such as a capital increase reserved for employees, stock option grants, share purchase options or free share awards, in particular, with respect to the fidelity programs aimed at management teams of newly-acquired companies. In addition, the Company could arrange for the issuance of securities underlying the securities issued by the Company or the subsidiaries of the Group. Waiver of the shareholders' preferential subscription rights would also allow the Board of Directors to organize public exchange offers or acquisitions paid entirely in equity. Lastly, a share issue could repay investments in kind of financial securities which are not traded on a regulated market or its equivalent.

The grounds and the main conditions for each resolution are set forth below.

Share capital decrease by cancellation of treasury shares (Eleventh Resolution)

As the previous authorization is due to expire, it is recommended to renew the authorization granted to the Board of Directors to act as follows:

- to cancel at any time, on one or more occasions, Company shares purchased in compliance with Article L.225-209 of the French Commercial Code, as set out by the tenth ordinary resolution of this general shareholders meeting or within the scope of the authorizations for prior repurchase programs, within the limit of 10% of the share capital during the preceding 24-month period, such limit being defined in relation to the share capital amount at the time the cancellation resolution is taken and adjusted to account for any transactions affecting the share capital after this general shareholders meeting;
- to reduce the share capital by the same amount by allocating the difference between the carrying value of the cancelled shares and their nominal value to share premium and available reserves;
- to amend the Articles of Association accordingly and carry out the required registration and publication formalities.

This authorization would be granted for a period of eighteen months and would cancel any previous authorizations with the same purpose.

Share capital increase by capitalization of share premiums, reserves, profits or other assets as allowed by law (Twelfth Resolution)

The purpose of the twelfth resolution is to grant a delegation of authority enabling the Board of Directors to decide on a capital increase by capitalization of share premiums, reserves, profits or other assets as allowed by law.

The authorization to effect such share capital increases would not exceed a maximum nominal amount of 10 million euros. This limit would not be subject to the ceiling defined in the eighteenth resolution.

These share capital increases would be achieved by a free share issue to Company shareholders and/or by increase in the par value of the shares.

The Board of Directors would have full power, in particular, to determine the amount and type of funds to be capitalized, fix the number of new shares to be issued and/or the amount by which the existing nominal share value shall be increased.

This delegation of authority would be granted for a period of 26 months.

Capital increase maintaining preferential subscription rights (Thirteenth Resolution)

By approval of the thirteenth resolution, the Board of Directors would be authorized to implement a capital increase maintaining shareholders' preferential subscription rights.

Capital increases decided by means of this resolution would thus be reserved for the shareholders of the Company, whether by issue of ordinary shares and/or negotiable securities conferring immediate or future entitlement to the Company's share capital, and/or to the allotment of debt securities. Securities could be in the form of equity securities or debt securities. Entitlement to the share capital could take place by the conversion or exchange of a security or by presentation of a warrant.

The authorization in this resolution with respect to share capital increases is limited to a maximum nominal amount of 25 million euros or 47.6% of the share capital amount. Issue of debt securities is limited to a maximum nominal amount of 500 million euros. These limits would not be subject to the ceiling defined in the eighteenth resolution

Subscription price of shares and/or negotiable securities issued pursuant to this authorization shall be determined by the Board of Directors, in compliance with applicable laws and regulations.

This delegation of authority would be granted for a period of 26 months and would cancel any previous authorizations with the same purpose.

Capital increase with waiver of shareholders' preferential subscription rights by public offering (Fourteenth Resolution)

The purpose of the fourteenth resolution is to grant a delegation of authority enabling the Board of Directors to effect a share capital increase with waiver of shareholders' preferential subscription rights by public offering.

Capital increases decided by means of this resolution would thus be open to the public, whether by issue of ordinary shares and/or negotiable securities conferring immediate or future entitlement to the Company's share capital and/or to the allotment of debt securities. Securities could be in the form of equity securities or debt securities. Entitlement to the share capital could take place by the conversion or exchange of a security or by presentation of a warrant.

The authorization in this resolution with respect to share capital increases is limited to a maximum nominal amount of 10 million euros or 19% of the share capital amount. Issue of debt securities is limited to a maximum nominal amount of 500 million euros. The amount of this ceiling would be deducted from the aggregate ceilings of 10 millions euros with respect to capital increases and 500 million euros with respect to debt securities defined in the eighteenth resolution.

The price of shares issued pursuant to this authorization shall be at least equal to the minimum amount provided for by the applicable laws and regulations on the date of issue, *i.e.*, to date, the weighted average of the quoted prices of the Company's share during the three most recent trading sessions of the Paris Euronext market preceding the resolution date of the Board of Directors, less any applicable discount of a maximum of 5%, in accordance with the provisions of Article R.225-119 and the first paragraph of Article L.225-136-1 of the French Commercial Code.

Furthermore, the price of the negotiable securities entitled to Company shares issued within the scope of this authorization, shall be that of the amount immediately received by the Company, plus, if applicable, the amount, if any, received at a later date by the Company for each share issued as a result of the issuance of these negotiable securities, at least equal to the issuance price referred to above.

This delegation of authority would be granted for a period of 26 months and would cancel any previous authorizations with the same purpose.

Capital increase with waiver of shareholders' preferential subscription rights by way of an offering as defined in Article L.411-2 II of the French Monetary and Financial Code (Fifteenth Resolution)

In addition to the fourteenth resolution and in order to separately vote on both resolutions, as recommended by the *Autorité des marchés financiers* (French stock market authority), the fifteenth resolution proposes to grant a delegation of authority to the Board of Directors for a share capital increase, with waiver of shareholders' preferential subscription rights, by way of an offering as defined in Article L.411-2 II of the French Monetary and Financial Code.

Capital increases falling under this resolution would take place, as provided for by Article L.411-2 II of the French Monetary and Financial Code, through private investment with persons providing investment services in third-party portfolio management, qualified investors or a limited group of investors, upon the condition that such investors are acting on their own behalf. This type of capital increase can take the form of issue of ordinary shares and/or negotiable securities conferring immediate or future entitlement to the Company's share capital and/or to the allotment of debt securities. Securities could be in the form of equity securities or debt securities. Entitlement to the share capital could take place by the conversion or exchange of a security or by presentation of a warrant.

Share capital increases within the scope of this authorization are limited to a maximum nominal amount of 10 million euros i.e., 19% of the share capital amount.

Issue of debt securities is limited to a maximum nominal amount of 500 million euros. The amount of this ceiling would be deducted from the aggregate ceilings of 10 million euros with respect to capital increases and 500 million euros with respect to debt securities defined in the eighteenth resolution.

As in the resolution above, the price of shares issued pursuant to this authorization shall be at least equal to the minimum amount provided for by the applicable laws and regulations on the date of issue, which are, as of this date, the weighted average of the quoted prices of the Company's share during the three most recent trading sessions of the Paris Euronext market preceding the resolution date of the Board of Directors, less any applicable discount of a maximum of 5%, in accordance with the provisions of Article R.225-119 and the first paragraph of Article L.225-136-1 of the French Commercial Code.

This delegation of authority would be granted for a period of 26 months and would cancel any previous authorizations with the same purpose.

Increase of the number of securities to be issued in the event of a capital increase with or without preferential subscription rights (Sixteenth Resolution)

The purpose of this sixteenth resolution is to authorize the Board of Directors to increase of the number of securities to be issued in the event of an initial capital increase, with or without preferential subscription rights, decided by virtue of the thirteenth, fourteenth and fifteenth resolutions described above, in the event that subscription requests exceed the initial capital increase amount.

This delegation of authority allows the Board of Directors to decide, in accordance with Article L.225-135-1 of the French Commercial Code, to fulfill any eventual oversubscriptions of securities issues reserved for the shareholders of the Company or by public offering or by way of an offering as defined in Article L.411-2 II of the French Monetary and Financial Code.

Share capital increases within the scope of this authorization are limited to 15% of the initial share issue, and such amounts would be deducted from the relevant ceiling(s) of the initial capital increase.

Price of ordinary shares or negotiable securities issued pursuant to this resolution would be equivalent to that of the initial price decided in accordance with the above-mentioned resolutions.

The Board of Directors could decide to avail itself of this delegation of authority within the period provided for by law, which are, as of this date, within thirty days of the closing of the subscription of the initial issuance.

This delegation of authority would be granted for a period of 26 months and would cancel any previous authorizations with the same purpose.

Issue of financial securities to repay contributions in kind granted to the Company (Seventeenth Resolution)

The seventeenth resolution proposes to grant the Board of Directors a delegation of authority for issue of ordinary shares and/or negotiable securities conferring immediate or future entitlement to the Company's share capital in return for contributions in kind made to the Company, composed of equity securities or negotiable securities entitled to Company shares, in cases when the stipulations of Article L.225-148 of the French Commercial Code do not apply.

Share capital increases within the scope of this authorization are limited to 10% of the share capital amount at the time of the Board of Directors' decision, and such amounts would be deducted from the ceiling defined in the eighteenth resolution.

The Board of Directors would have the necessary powers to decide upon the valuation of contributions.

This delegation of authority would be granted for a period of 26 months and would cancel any previous authorizations with the same purpose.

Overall limitation of the authorizations (Eighteenth Resolution)

This resolution determines the overall limitation on the aggregate nominal amount of the share capital increases, immediate or future, without preferential subscription rights, which would be decided by the Board of Directors pursuant to the fourteenth, fifteenth, sixteenth and seventeenth resolutions.

The nominal amount of the relevant capital increases in the above-mentioned resolutions is limited to 10 million euros, or 19% of the share capital amount, plus, if applicable, the supplemental nominal amount of shares to be issued to protect the rights of negotiable securities holders entitled to Company shares, as provided for by law.

The maximum nominal amount of debt securities which could be issued pursuant to the fourteenth, fifteenth and sixteenth resolutions shall not exceed 500 million euros.

Capital increase with or without preferential subscription rights reserved for employees belonging to a company or group savings plan (Nineteenth Resolution)or for employees or directors and executive officers of subsidiaries located outside France (Twentieth Resolution)

In the nineteenth resolution, your approval is requested on an extraordinary decision of the general shareholders meeting which is required to vote, in accordance with the provisions of Article L.225-129-6 of the French Commercial Code, on a resolution for a capital increase in compliance with the conditions stipulated in Articles L.3332-18 *et seq.* of the French Labor Code, to be reserved for employees belonging to a company or group savings plan, if any of its decisions result in a capital increase paid in cash.

This nineteenth resolution therefore proposes to authorize the Board of Directors to organize a capital increase without preferential subscription rights, for employees belonging to a company or group savings plan by issuance of shares or negotiable securities entitled, immediately or in the future, to Company shares. This company or group employee savings plan shall have been established by the Company and the French or foreign entities under its Group control, as defined in Article L.225-180 of the French Commercial Code and in Article L.3344-1 of the French Labor Code.

Subscription price of new ordinary shares or negotiable securities conferring immediate or future entitlement to the Company's share capital would be determined by the Board of Directors in application of Articles L.3332-19 *et seq.* of the French Labor Code. Consequently, as such securities are listed on a regulated stock market, the subscription price could not be higher than the average of the quoted prices of the Company's share during the twenty trading sessions of the Paris Euronext market preceding the resolution date. In addition, the subscription price could not be less than 20% of this average or 30% if the plan vesting period is equal to or more than 10 years, in accordance with Articles L.3332-25 and L.3332-26 of the French Labor Code.

As an additional condition of the provisions of Article L.3332-21 of the French Labor Code, the Board of Directors could grant new shares or issued shares or other securities entitling the holder to Company shares immediately or in the future in relation to (i) the amount matched by the employer according to the terms of the company or group savings plan and/or (ii), if applicable, the discount.

The twentieth resolution confers powers to the Board of Directors to proceed with issuance of ordinary shares of the Company, on one or several occasions, outside the group savings plan, reserved for employees or directors and executive officers of the Company's subsidiaries located in countries outside France.

Subscription price for the issue of new ordinary shares shall be set by the Board of Directors according to the following two options, at its discretion:

- the average of the quoted prices of the Ingenico share on the Eurolist market during the twenty trading sessions of the Paris Euronext market preceding the resolution date of the Board of Directors, less any applicable discount up to a maximum of 20%, or
- equal to the quoted price of the Ingenico share on the Eurolist market at the opening of the Paris Euronext market on the resolution date of the Board of Directors, less any applicable discount up to a maximum of 20%, it being specified that the option or discount voted is dependent upon the nature or beneficiaries of the share capital increase.

The options above afford some flexibility to deal with fiscal or regulatory constraints in certain countries if the Board of Directors should decide to make use of this authorization.

Each share capital increase within the scope of this authorization is limited to 2% of the share capital amount as of the resolution date of the Board of Directors, a maximum nominal amount of 10 million euros or 19% of the share capital amount, it being specified that these ceilings are not subject to any other ceiling with respect to capital increases.

Both these authorizations would be granted for a period of 18 months and would cancel any previous authorizations with the same purpose.

Stock option grants for new or existing shares (Twenty-first Resolution)

The purpose of the twenty-first resolution is to authorize the Board of Directors to grant stock options, in particular, with respect to the fidelity programs aimed at management teams of newly-acquired companies.

The Board of Directors could therefore decide, on one or more occasions, to grant rights to (i) subscribe to new shares of the Company as part of a capital increase or (ii) purchase existing Company shares, for the benefit of eligible directors and executive officers of the Company (as defined by Article L.225-185 of the French Commercial Code) and, pursuant to Article L.225-177 of the French Commercial Code, for the benefit of certain employees of companies (in France or abroad) forming part of the Group as defined by Article L.225-185 of the French Commercial Code.

Conditions of such grants and for vesting as well as the performance criteria for stock options to eligible directors and executive officers shall be determined by the Board of Directors.

The number of shares which can be subscribed or purchased upon vesting of stock options shall not exceed 2% of the Company's share capital amount as of the date of initial grant awarded by the Board of Directors. This amount would be deducted from the ceiling defined in the twenty-second resolution.

Share subscription or purchase price shall be set by the Board of Directors, according to the applicable laws and regulations, not less than:

- the average of the quoted prices of the Company share during the twenty opening trading sessions of the Paris Euronext market preceding the date of grant by the Board of Directors, with no applicable discount, for stock options; and
- the average purchase price of the treasury shares held by the Company as per Articles L.225-208 and L.225-209 of the French Commercial Code, with no applicable discount, for share purchase options.

The vesting period for stock options shall not exceed 10 years from the date of grant.

Share subscription or share purchase options granted under this authorization shall be acquired at the end of a minimum vesting period of two years, to be determined by the Board of Directors; these shares are vested and fully-owned by the beneficiaries provided they are held by the beneficiaries for an additional two-year mandatory holding period following vesting or for any other length of time above this minimum period which may be decided by the Board of Directors.

However, if the vesting period for all or part of several grants would be a minimum of four years, the Board of Directors shall have the possibility to waive any minimum holding period thereafter for the vested shares.

This authorization would be granted for a period of 38 months and would cancel any previous authorizations with the same purpose.

Free share grants (Twenty-second Resolution)

In order for the Company to continue its plans for employee profit-sharing and incentive programs for both directors and executive officers and employees, this twenty-second resolution would provide the Board of Directors with the necessary powers to allocate Company shares at no cost to the employee or directors and executive officers, in particular, with respect to the fidelity programs aimed at management teams of newly-acquired companies.

Therefore, as provided for by Articles L.225-129-1 *et seq.* and L.229-197-1 *et seq.* of the French Commercial Code, the Board of Directors could decide, on one or more occasions, to award existing or newly-issued Company shares free of charge for the benefit of employees, directors and/or executive officers of the Company or companies held or controlled directly or indirectly by the Group, pursuant to Article L.225-197-2 of the French Commercial Code.

The Board of Directors shall determine the conditions of such free share awards and the performance criteria for eligible directors and executive officers.

The maximum number of shares which can be allotted for free shall not exceed 5% of the Company's share capital amount as of the date of initial grant awarded by the Board of Directors. From this ceiling shall be deducted the limit of total number of shares to be subscribed or purchased under stock options as defined in the twenty-first resolution above.

Shares granted for free shall only be acquired at the end of a minimum vesting period of two years, and the beneficiaries shall be required to hold such shares for an additional minimum two-year period after vesting date. However, for share grants awarded to non-French residents at the time of the grant, assuming that such shares shall not be vested until expiration of a four-year period, these beneficiaries shall not be subject to any further holding period.

Final vesting of share grants shall take place before the end of the vesting period in the event any beneficiary corresponding to the second or third category as defined under Article L.341-4 of the French Social Security Code, at which time the shares shall be fully owned and may be immediately sold or transferred.

This authorization would be granted for a period of 38 months and would cancel any previous authorizations with the same purpose.

Use of current authorizations and delegations of authority to increase the share capital in the event of a public tender offer (Twenty-third Resolution)

In accordance with Article L.233-32 of the French Commercial Code, the purpose of this resolution is to enable the Board of Directors to make use, during a public tender offer for Company shares, of delegations of authority and authorizations granted to it.

Under French Law no. 2006-387 of March 31, 2006, it is obligatory for the Board of Directors to seek the general shareholders' meeting approval on anti-takeover measures before and during the public tender offer.

This is set forth in Article L.233-32 of the French Commercial Code: *"during a period in which the Company's shares listed on a regulated stock market are the object of a public tender offer, the board of directors (...) of this company must obtain prior approval of the general shareholders meeting before taking any action which would cause the bid to fail, other than seeking alternative bids."*

Notwithstanding the above, an exception to this principle is stipulated by Article L.233-33 of the French Commercial Code; whereby an absence of reciprocity waives the provisions of Article L.233-32. In other words, when the initiating offeror (or its controlling parent company) does not adopt comparable measures, in particular, a decision of the general shareholders meeting during the public tender offer period, the board of directors of the company under takeover bid shall then be able to adopt defensive measures but only if such measures have been expressly authorized by the general shareholders meeting within eighteen months prior to the date of filing of the public tender offer.

Your approval is requested to authorize the Board of Directors of the Company to make use, during a public tender offer, of the available delegations of authority in the matter of share capital increases in the event of a hostile takeover bid by an entity which has not adopted reciprocal measures.

This authorization shall be valid for a period of 18 months.

Lastly, the twenty-fourth resolution confers powers to proceed with formalities for enactment and registration of decisions following each general shareholders meeting, such as filing and publication formalities.

Board of Directors

7.3 Statutory auditors' report on the share capital transactions proposed in Resolutions 11, 13, 14, 15, 16, 17, 18, 19, 20, 21 and 22 of the combined ordinary and extraordinary shareholders' meeting of April 29, 2013

Combined shareholders' meeting of April 29, 2013

Ladies, Gentlemen, Shareholders,

As the statutory auditors of your Company and pursuant to our auditing duties specified in the French Commercial Code, we hereby present our report on the proposed share capital transactions on which you are to vote.

1 REDUCTION OF SHARE CAPITAL BY CANCELLATION OF TREASURY SHARES (RESOLUTION 11)

Pursuant to Article L.225-209, section 7 of the French Commercial Code, which deals with the reduction of share capital by canceling treasury shares, we have prepared this report to present our opinion on the justification and terms of the proposed share capital reduction.

Shareholders are requested to grant their Board of Directors all necessary powers, for a period of eighteen months as of the date of this shareholders' meeting, to cancel the shares the Company has repurchased under its authorization to purchase its own shares pursuant to the aforementioned Article, up to a ceiling of 10 percent of its share capital over a 24-month period.

We have done the work we felt was necessary in accordance with the relevant rules and recommendations of the French statutory auditing authority, the *Compagnie nationale des commissaires aux comptes*. This work consisted in verifying that the justification and terms of the proposed share capital reduction, which ensures the equal treatment of shareholders, complies with the applicable laws, regulations and rules.

We have no observations regarding the justification and terms of the proposed share capital reduction, it being understood that such reduction shall only be possible if your shareholders' meeting first authorizes your Company to purchase its own shares, which is the subject of Resolution 10 of this shareholders' meeting.

2 THE ISSUANCE OF SHARES AND OTHER SECURITIES WITH OR WITHOUT CANCELLATION OF PRE-EMPTIVE SUBSCRIPTION RIGHTS (RESOLUTIONS 13, 14, 15, 16, 17 AND 18)

Pursuant to Articles L.225-129.2, L.225-135, L.225-136, L.225-147 and L.228-92 of the French Commercial Code, we present our report on the proposed resolutions to authorize the Board of Directors to issue ordinary Company shares and/or other securities that confer entitlement to the Company's shares.

On the basis of its report, your Board of Directors proposes that you:

- grant it, for a period of twenty-six months, the authority to effect, if it deems necessary, the following issuances of securities and to fix the terms of these issuances:
  - the issuance, in one or more transactions, of ordinary Company shares and/or of securities that confer entitlement, immediately and/or in the future, to the ordinary shares of the Company or of a company in which the Company directly or indirectly holds over half of the share capital, and/or the issuance of other securities that confer entitlement to the allotment of debt securities, with maintenance of preferential subscription rights, up to a maximum par value of €25,000,000 for shares issued and of €500,000,000 for debt securities issued, these maximum amounts being excluded from the overall maximum amounts specified in Resolution 18 (Resolution 13);
  - the issuance, by way of a public offering, in one or more transactions, of ordinary Company shares and/or of securities that confer entitlement, immediately and/or in the future, to the shares of the Company or of a company in which the Company directly or indirectly holds over half of the share capital, or of securities that confer entitlement to the allotment of debt securities, with cancellation of preferential subscription rights, up to a maximum par value of €10,000,000 for shares issued and of €500,000,000 for debt securities issued, these maximum amounts being included in the overall maximum amounts specified in Resolution 18 (Resolution 14);
  - the issuance, by way of an offering pursuant to Section II of Article L.411-2 of the French Monetary and Financial Code, in one or more transactions, of ordinary Company shares and/or of securities that confer entitlement, immediately and/or in the future, to the shares of the Company or of a company in which the Company directly or indirectly holds over half of the

share capital, and/or of securities that confer entitlement to the allotment of debt securities, with cancellation of preferential subscription rights, up to a maximum par value of €10,000,000 for shares issued and of €500,000,000 for debt securities issued, these maximum amounts being included in the overall maximum amounts specified in Resolution 18 (Resolution 15),

- grant it, for a period of twenty-six months, the authority to set the terms of an issuance of ordinary shares, or of other securities that confer entitlement to ordinary Company shares, in consideration for contributions in kind to the Company, consisting of equity securities or of other securities that confer entitlement to share capital, up to a ceiling of 10 percent of the Company's share capital as of the date of this shareholders' meeting, this maximum amount being included in the overall maximum amount specified in Resolution 18 (Resolution 17).

The overall par value of capital increases that may be made immediately or in the future pursuant to Resolutions 14, 15, 16 and 17 shall not exceed €10,000,000, and the total par value of debt securities issued pursuant to Resolutions 14, 15 and 16 shall not exceed €500,000,000 (Resolution 18).

The number of securities that may be created pursuant to Resolutions 13, 14 and 15 may be increased as provided for under Article L.225-135-1 of the French Commercial Code and within the maximum amounts specified by the shareholders' meeting in the event of over-subscription (Resolution 16).

Your Board of Directors is responsible for preparing the report required under Articles R.225-113 et seq. of the French Commercial Code. It is our role to give our opinion on the financial figures taken from financial statements, the proposed cancellation of preferential subscription rights, and other information concerning these transactions provided in this report.

For this purpose we have performed the work we felt was necessary in accordance with the relevant rules and recommendations of the French statutory auditing authority, the *Compagnie nationale des commissaires aux comptes*. This work consisted in verifying the information in the Board of Directors' report concerning these transactions and the method used to determine the issuance price of the equity securities to be issued.

Without prejudice to an examination of the terms of any issuance that may be decided, we have no observations on the method used to determine the issuance price of the equity securities to be issued, as indicated in the Board of Directors' report in relation to Resolutions 14, 15 and 16.

Since this report does not specify the procedures for determining the issuance price of the equity securities to be issued under Resolutions 13 and 17, we cannot express an opinion on the information used to calculate the issuance price.

Since the final issuance terms have not been decided, we cannot give an opinion on them nor therefore on the proposal to cancel pre-emptive subscription rights under Resolutions 14, 15 and 16.

Pursuant to Article R.225-116 of the French Commercial Code, we will prepare an additional report, if necessary, when your Board of Directors uses these authorizations to issue ordinary shares with cancellation of preferential subscription rights and/or to issue securities that confer entitlement to share capital and/or to the allocation of debt securities.

3 ISSUANCE OF SHARES AND OTHER SECURITIES EXCLUSIVELY FOR EMPLOYEES WHO ARE MEMBERS OF A COMPANY SAVINGS PLAN PURSUANT TO ARTICLES L.3332-18 ET SEQ. OF THE FRENCH LABOR CODE (RESOLUTION 19)

Pursuant to Articles L.225-135 et seq. of the French Commercial Code, we present our report on the proposal to authorize your Board of Directors to increase the Company's share capital, in one or more transactions, by issuing equity securities or other securities that confer entitlement to the Company's share capital, exclusively to members of a company savings plan, with cancellation of preferential subscription rights, up to a ceiling of 2 percent of the Company's share capital.

The price of the shares to be issued pursuant to this authorization may not be more than 20 percent less than the average of the opening prices quoted for the Company's shares on the Euronext Paris stock market over the twenty trading days preceding the date of the Board's decision to increase the share capital and issue the corresponding shares (or more than 30 percent less when the holding period provided for in the savings plan pursuant to Articles L.3332-25 and L.3332-26 of the French Labor Code is at least ten years), nor may it exceed this average price.

These capital increases are subject to your approval pursuant to Articles L.225-129-6 of the French Commercial Code and L.3332-18 et seq. of the French Labor Code.

On the basis of its report, your Board of Directors proposes that you authorize it, for a period of eighteen months, to increase the share capital in one or more transactions, and that you waive your preferential subscription rights to the equity securities to be issued. If such authorization is granted, the Board of Directors will determine the terms of such issuance.

It is the responsibility of your Board of Directors to prepare a report in accordance with Articles R.225-113, R.225-114 and R.225-117 of the French Commercial Code. It is our role to give our opinion on the fair presentation of accounting figures taken from financial statements, on the proposal to cancel preferential subscription rights and on various other information concerning the issuance of securities provided in this report.

For this purpose we have performed the work we felt was necessary in accordance with the relevant rules and recommendations of the French statutory auditing authority, the *Compagnie nationale des commissaires aux comptes*. This work consisted in verifying the information in the Board of Directors' report concerning this transaction and the method used to determine the issuance price of the equity securities to be issued.

Without prejudice to an examination of the terms of any capital increases that may be decided, we have no observations on the method used to determine the issuance price of the equity securities to be issued, as indicated in the Board of Directors' report.

Since the final terms of the capital increases have not been decided, we cannot give an opinion on them nor therefore on the proposal to cancel preferential subscription rights.

Pursuant to Article R.225-116 of the French Commercial Code, we will prepare an additional report, if necessary, when your Board of Directors uses this authorization.

4 ISSUANCE OF SHARES RESERVED FOR THE EMPLOYEES AND CORPORATE OFFICERS OF THE COMPANY'S SUBSIDIARIES AS DEFINED IN ARTICLE L.233-16 OF THE FRENCH COMMERCIAL CODE, WITH CANCELLATION OF PREFERENTIAL SUBSCRIPTION RIGHTS (RESOLUTION 20)

Pursuant to Articles L.225-135 et seq. of the French Commercial Code, we present our report on the proposal to authorize your Board of Directors to increase the share capital, in one or more transactions, by issuing ordinary shares exclusively for the employees and corporate officers of the Company's subsidiaries as defined in Article L.233-16 of the French Commercial Code, with cancellation of preferential subscription rights, up to a maximum par value of 2 percent of the Company's share capital.

The Board of Directors will determine the subscription price of the new shares when it selects the starting date for the share subscription period, using one of the two following methods at its discretion:

- the share subscription price shall be the average opening price of Ingenico shares on the Euronext Paris stock market over the twenty trading days preceding the date of the Board's decision, subject to a maximum discount of 20 percent, or
- the share subscription price shall be the opening price of Ingenico shares on the Euronext Paris stock market on the date of the Board's decision, subject to a maximum discount of 20 percent, it being understood that the method used and the discount granted may vary with share issuance and beneficiaries.

On the basis of its report, your Board of Directors proposes that you authorize it, for a period of eighteen months, to increase the share capital in one or more issuance transactions, and that you waive your preferential subscription rights to the ordinary shares to be issued. If such authorization is granted, the Board of Directors will determine the issuance terms of these transactions.

It is the responsibility of your Board of Directors to prepare a report in accordance with Articles R.225-113 and R.225-117 of the French Commercial Code. It is our role to give our opinion on the fair presentation of accounting figures taken from financial statements, on the proposal to cancel preferential subscription rights and on various other information concerning the issuance of securities provided in this report.

We have done the work we felt was necessary on the accounts relevant for this assignment, in accordance with the applicable rules and recommendations of the French statutory auditing authority, the *Compagnie nationale des commissaires aux comptes*. This work consisted in verifying the information in the Board of Directors' report concerning this transaction and the method used to determine the issuance price of the ordinary shares to be issued.

Without prejudice to an examination of the terms of any capital increases that may be decided, we have no observations on the method used to determine the issuance price of the ordinary shares to be issued, as indicated in the Board of Directors' report.

Since the final issuance terms have not been decided, we cannot give an opinion on them nor therefore on the proposal to cancel the preferential subscription right.

Pursuant to Article R.225-116 of the French Commercial Code, we will prepare an additional report, if necessary, when your Board of Directors uses this authorization.

5 GRANTING OF STOCK OPTIONS TO SALARIED EMPLOYEES AND CORPORATE OFFICERS (RESOLUTION 21)

Pursuant to Articles L.225-177 and R.225-144 of the French Commercial Code, we present our report on the proposed resolution to authorize your Board of Directors to grant salaried employees and corporate officers options to subscribe for shares to be issued or already issued.

On the basis of its report, your Board of Directors proposes that you authorize it, for a period of thirty-eight months, to grant these stock options.

It is the responsibility of your Board of Directors to submit a report on the justification for granting these stock options and on the method it proposes for determining the share subscription or purchase price. It is our role to give our opinion on this method.

We have done the work we felt was necessary on the accounts relevant for this assignment, in accordance with the applicable rules and recommendations of the French statutory auditing authority, the *Compagnie nationale des commissaires aux comptes*. This work consisted in verifying that the method proposed for determining the share subscription or purchase price was disclosed in the Board of Directors' report and that it complies with legal and regulatory requirements.

We have no observations concerning the method proposed for determining the share subscription or purchase price.

6 AWARD, FREE OF CONSIDERATION, OF ORDINARY SHARES, ALREADY ISSUED OR TO BE ISSUED, IN YOUR COMPANY TO SALARIED EMPLOYEES AND CORPORATE OFFICERS OF YOUR COMPANY AND OF ITS SUBSIDIARIES (RESOLUTION 22)

Pursuant to Articles L.225-197-1 of the French Commercial Code, we present our report on the proposal to authorize the award, free of consideration, of shares that have already been issued and/or are to be issued, to the salaried employees of your Company and of its affiliated companies as defined in Article L.225-197-2 of the French Commercial Code, and/or to the corporate officers who meet the conditions specified in Article L.225-197-1 of the French Commercial Code.

On the basis of its report, your Board of Directors proposes that you authorize it, for a period of thirty-eight months, to award free shares already issued and/or to be issued.

It is the responsibility of your Board of Directors to submit a report on this proposed transaction. It is our role to inform you of our observations on the information with which you have been provided concerning this transaction.

We have done the work we felt was necessary on the accounts relevant for this assignment, in accordance with the applicable rules and recommendations of the French statutory auditing authority, the *Compagnie nationale des commissaires aux comptes*. This work consisted in verifying that the method proposed and indicated in the Board of Directors' report complies with the law.

We have no observations on the information provided in the Board of Directors' report concerning the proposed transaction to grant free shares.

The statutory auditors

Paris La Défense, February 28, 2012	Paris, February 28, 2013
KPMG Audit IS	CGEC S.A.
Jean-Pierre Valensi	Sophie Brulebois
Associé	Associée

8

INFORMATION ON THE COMPANY AND ITS SHARE CAPITAL

8.1 INFORMATION ON THE COMPANY

8.1.1 COMPANY NAME

Company name: Compagnie Industrielle et Financière d'Ingénierie, **Ingenico**.

Trade name: Ingenico.

8.1.2 REGISTERED OFFICE

Registered Office: 28-32 boulevard de Grenelle, 75015 Paris, France.

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 as from January 30, 2012. This decision was ratified by the Annual Shareholders Meeting of May 3, 2012.

8.1.3 LEGAL INFORMATION

Type of entity and applicable legislation: The Company is a French corporation *(société anonyme)* managed by a Board of Directors and 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 Registry of Commerce and Companies, except in the event of early dissolution or extension, as provided for in the Articles of Association.

Financial year: from January 1 to December 31.

Company registration number with the Registry of Commerce and Companies of Paris: 317 218 758.

Principal activity code (APE): 6202A

Principal place of business code (SIRET): 317 218 758 00124.

8.1.4 ARTICLES OF ASSOCIATION

The Articles of Association contain no conditions more restrictive than those set by law with respect to altering the rights of shareholders.

Purpose (Article 2)

The Company's purpose is to carry out any business in France and in any other countries as follows:

- researching, designing, developing and producing any equipment, systems or devices based on new technologies;
- designing and/or selling 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 selling, including on a rental basis, any systems for transmitting and receiving radio signals of any frequency and kind;
- operating, through any means and in any form, land, 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 third parties' needs;
- providing consultancy and organizational services;
- providing technical support and maintenance of any and all devices and facilities produced or sold in connection with any of the Company's purposes;
- representing any companies, both French and non-French, whose productions are related, directly or indirectly, to the above-mentioned purposes, including importing or exporting operations.

To carry out these purposes, 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 purposes. 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 purposes. It may acquire interests or stakes in any French or non-French organizations having similar purposes or likely to develop its own business.

Determination, allocation and distribution of profits (Article 22)

For the purpose of forming the statutory legal reserve fund, an amount of 5 percent shall be allocated from the net annual profit, less any retained losses, until the amount in the legal reserve reaches an amount equal to one-tenth of the share capital amount. Such allocation from the net profit shall be repeated whenever the legal reserve amount falls below that fraction for any reason whatsoever, in particular in case of increase in the Company's share capital.

The remaining balance of the net profit, plus any amount of retained earnings, shall constitute the distributable profits.

The following shall be deducted from those profits:

- any amounts the shareholders 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 based on issued and fully-subscribed shares of 5 percent of the share capital amount; should profits be inadequate to pay out this dividend, the shareholders shall not be entitled to claim such dividend in subsequent years;
- the remaining balance, if any, to be distributed among all shareholders as a complementary dividend.

The shareholders meeting may also decide to distribute amounts allocated 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 amounts are allocated.

Dividend payment (Article 23)

A dividend on shares shall be paid within a maximum of nine months from financial 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 shareholders meeting deliberating on the annual financial statements can grant each shareholder an option pay all or part of a dividend or interim dividend in cash or in shares, as provided for by law and by these Articles of Association.

Rules for convening and attending general shareholders meetings (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. Meetings may also be convened by the liquidator in the event of early dissolution of the Company.

The general shareholders 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 shareholders meeting was unable to deliberate due to lack of the required quorum, a second meeting shall be called with at least ten clear days' prior notice, in the same manner as the first call, reiterating 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 shareholders meeting. The Board shall add to the agenda any new item or draft resolutions requested by either one or more shareholders representing together at least the percentage of the Company's shares required by law, or by an association of shareholders fulfilling the requirements set out in Article L.225-120 of the French Commercial Code, 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 shareholders meetings shall be based upon the list established on the third day before the meeting of the shareholder's name and the number of shares held or 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 for in the applicable law. Proxies shall be appointed using a proxy form showing the proxy's name, first name and address and signed. A proxy may not sub-delegate its proxy to another person. Proxy forms are valid for a shareholders meeting only, or for adjourned meetings convened with the same agenda.

If the Board so decides when deciding to call a meeting or sending a notice of meeting, shareholders may also attend and vote at meetings by video conference or by means of telecommunication systems enabling to identify them as provided by law.

At each general shareholders meeting, the attendance sheet shall indicate the following:

- name, first name, and place of residence of each shareholder; number of shares they hold and corresponding voting rights;
- name, first name, and place of residence of each proxy; number of shares they hold and corresponding voting rights;
- name, first name, and place of residence of each represented shareholder; number of shares they hold and corresponding voting rights.

The attendance sheet shall be signed by all shareholders present and represented by proxies. It shall be certified true by the reporting committee of the meeting. The attendance sheet with the proxy forms attached thereto shall be kept at the registered office and available upon request.

Once properly constituted, a general shareholders meeting represents all shareholders. Its resolutions shall be binding on all shareholders, even those absent, dissenting or incapacitated. At Ordinary or Extraordinary Meetings, the quorum is composed of all shares of the entire 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 shareholders meeting and signed by the reporting committee members. The minutes shall be either transferred to, or inserted in, a special minute book issued according to regulatory provisions, and each page initialed and signed.

Quorum and majority requirements at Ordinary General Shareholders Meetings

All shareholders may take part in the proceedings and vote on resolutions, provided the shares they hold have been fully paid up.

So that general shareholders meeting may validly deliberate at first call, a number of shareholders representing at least one fifth of the share capital must be present. If this condition is not met, the general shareholders meeting adjourned at second call can resolve, whatever the number of shares represented, but solely on the agenda items of the initial meeting.

Resolutions of the ordinary general shareholders 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 shareholders meeting 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 relating to the portion of share capital they represent.

Furthermore, in case of a capital increase from reserves, retained earnings or share premiums, double voting rights shall be conferred upon the issue of registered shares allotted for free on the basis of existing shares holding such double voting rights.

Quorum and majority requirements at Extraordinary General Shareholders 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 shareholders meeting called for incorporation purposes where each shareholder casts 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 relating to the portion of share capital they represent.

Furthermore, in case of a capital increase allocated from reserves, retained earnings or share premiums, double voting rights shall be conferred upon the issue of registered shares allotted for free on the basis of existing shares holding such double voting rights.

An Extraordinary General Shareholders Meeting is properly formed and can validly deliberate when a number of shareholders representing at least one fourth 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 validly deliberate if shareholders representing at least one fifth of the share capital are present. Lacking the required quorum, the reconvened meeting may be adjourned, on the same terms of calling and meeting, to a later date within two months of the day the initial meeting was convened.

Notwithstanding the foregoing and by statutory dispensation, an Extraordinary General Shareholders Meeting called to decide on a capital increase allocated from reserves, retained earnings or share premiums may proceed on the terms of quorum and majority of an Ordinary General Shareholders Meeting.

Quorum and majority requirements at Special General Meetings

Special General Meetings shall be called and shall deliberate 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 a capital increase allocated from reserves, retained earnings or share premiums, double voting rights shall be conferred upon the issue of registered shares allotted for free on the basis of existing shares holding such double voting rights."

This provision was included for the first time in the Articles of Association by the shareholders at their Extraordinary General Shareholders Meeting of June 10, 1986, which resolved that double voting rights shall be attached 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 property jointly owned split between spouses, or a gift inter vivo to a spouse or a relative entitled to inherit the donor's estate shall not cause the right to be lost, nor shall a transfer upon merger or demerger of a joint-stock company.

Major shareholding thresholds (Article 8)

In addition to instances when the regulatory thresholds are exceeded which must be reported both to the Company and the French Stock Market Authority (AMF) as set out in Article L. 233-7 of the French Commercial Code, 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, before the end of the fourth trading day during which each threshold is crossed, 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 by law, if failure of notice has been noted 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 falls below each of the above-mentioned thresholds shall give notice thereof to the Company in the form and within the period specified above.

8.1.5 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 legal thresholds are described in Section 8.3 of this Registration Document.

The Articles of Association provide for no restrictions on the exercise of voting rights (except for the penalty for failure to disclose when legal thresholds are crossed as set forth in the Articles of Association) or on the transfer of shares.

There are no shareholders who benefit from 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 3.1.1 of this Registration Document.

The shareholders are authorized at Extraordinary Shareholders 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 this Registration Document.

The Company has made no agreements that would be modified or terminated in the event of a change of control over the Company.

There are no agreements providing for compensation to employees who resign, are dismissed or terminated as a result of a public offering.

8.2 SHARE CAPITAL

8.2.1 SHARE CAPITAL AT DECEMBER 31, 2012

At December 31, 2012, the Company's total share capital amounted to €52,487,658, for an equivalent number of shares, representing 64,142,698 theoretical voting rights (including shares for which voting rights have been suspended) and 63,890,061 exercisable voting rights.

8.2.2 CHANGES IN SHARE CAPITAL OVER THE PAST FIVE YEARS

Date	Transaction	Shares issued/ cancelled	Par value (in euros)	Total shares	Share Capital (in euros)
21 February 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
14 March 2008	Capital increase used as consideration for shares in Sagem Monétel, Sagem Denmark and Sagem do Brasil	+10,663,046	1	47,656,332	47,656,332
31 December 2008	Capital increase resulting from exercise of stock subscription options between 1 January 1 and 31 December 2008, placed on record by the Chairman on [6] January 2009 as delegated by the Board	+135,342	1	47,791,674	47,791,674
24 June 2009	Distribution of stock dividend for 2008	+597,274	1	48,388,948	48,388,948
31 December 2009	Capital increase resulting from exercise of stock subscription options between 1 January 1 and 31 December 2009, placed on record by the Chairman on [7] January 2010 as delegated by the Board	+248,187	1	48,637,135	48,637,135
20 January 2010	Cancellation of treasury shares	- 250,000	1	48,387,135	48,387,135
15 June 2010	Issuance of new shares within 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
21 July 2010	Issuance of new shares within the framework of a capital increase limited to employees (1) and resulting from the exercise of stock subscription options, placed on record by the Chairman and Chief Executive Office (2)	+172,417 (1) +51,581 (2)	1	48,901,405	48,901,405
30 July 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 Shareholders Meeting dated 11 May 2010 and resolution of the Board on the same day	+2,445,070	1	51,346,475	51,346,475
31 December 2010	Capital increase resulting from the exercise of stock subscription options between 16 July and 31 December 2010 placed on record on 6 January 2011 by the Chairman and Chief Executive Officer as delegated by the Board	+165,496	1	51,511,971	51,511,971
31 May 2011	Capital increase resulting from the Issuance of 439,205 new shares as part 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
31 December 2011	Capital increase resulting from the exercise of stock subscription options between 1 January and 31 December 2011 placed on record on 4 January 2012 by the Chairman and Chief Executive Officer as delegated by the Board	+29,127	1	51,980,303	51,980,303
31 May 2012	Capital increase resulting from the Issuance of 423,144 new shares as part of the distribution of stock dividend for 2011 placed on record by the Chairman and Chief Executive Officer as delegated by the Board	+423,144	1	52,403,447	52,403,447
29 June 2012	Capital increase resulting from the issuance of 75,295 new shares in consideration for securities exchanged by way of the merger-absorption by the Company of Xiring SA	+75,295	1	52,478,742	52,478,742
30 September 2012	Capital increase resulting from exercise of stock subscription options between 1 January and 30 September 2012, placed on record on January 11, 2008 by the and Chief Executive Officer as delegated by the Board	+3,737	1	52,482,479	52,482,479
31 December 2012	Capital increase resulting from exercise of stock subscription options between 1 October and 31 December 2012, placed on record on January 11, 2008 by the and Chief Executive Officer as delegated by the Board	+5,179	1	52,487,658	52,487,658

8.2.3 SHAREHOLDERS FINANCIAL AUTHORIZATIONS TO THE BOARD OF DIRECTORS

Authorized unissued capital

A summary of the effective authorizations granted by shareholders meetings to the Board regarding share capital increase as well as the use which have been made of these authorizations during 2012 is provided hereunder. As these authorizations shall terminate soon, new authorizations shall be submitted to the vote of the annual general shareholders meeting scheduled for April 29, 2013.

Type of authorization	Maximum capital increase that may result from the issue *(par value in euros)*	Term	Use made of the authorization during the year
Annual general shareholders meeting of May 3, 2012 Capital increase through issue of shares and/or other securities conferring immediate or future entitlement to Company shares (with preferential subscription rights)	30,000,000(2)	26 months	This authorization was not exercised in 2012
Annual general shareholders meeting of May 11, 2010 Capital increase through issue of shares and/or other securities conferring immediate or future entitlement to Company shares (without preferential subscription rights) by way of public offering	15,000,000(1)	26 months	This authorization was not exercised in 2012
Annual general shareholders meeting of May 11, 2010 Capital increase through issue of shares and/or other securities conferring immediate or future entitlement to Company shares (without preferential subscription rights) by way of private investment	15,000,000(1)	26 months	This authorization was not exercised in 2012
Annual general shareholders meeting of May 11, 2010 Setting the par value of the issued ordinary shares or of other securities through a public offering or a private investment (without preferential subscription rights)	10% of the share capital per year(1)	26 months	This authorization was not exercised in 2012
Annual general shareholders meeting of 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 accordance with the authorizations set forth above	15% of the initial issue for each issue decided in abidance with the relevant authorization(1)	26 months	This authorization was not exercised in 2012
Annual general shareholders meeting of May 3, 2012 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 the share capital(2)	26 months	This authorization was not exercised in 2012
Annual general shareholders meeting of May 11, 2010 Capital increase through issue of shares and/or other securities conferring entitlement to Company shares in consideration for securities contributed in connection with a public offer of exchange	10% of the share capital(1)	26 months	This authorization was not exercised in 2012
Annual general shareholders meeting of May 11, 2010 Allotment of new or existing bonus shares	5% of the share capital(1)	26 months	This authorization was exercised by the Board of Directors on May 21 and June 22, 2012 for the allotment of 465,384 performance shares.
Annual general shareholders meeting of May 11, 2010 Issue of stock options for new or existing shares	2% of the share capital(1)	26 months	This authorization was not exercised in 2012
Annual general shareholders meeting of May 3, 2012 Share capital increase by capitalization of share premiums, reserves, profits or other assets	10,000,000	26 months	This authorization was not exercised in 2012
Annual general shareholders meeting of May 3, 2012 Share capital decrease by cancellation of shares	10% of the share capital	26 months	This authorization was not exercised in 2012
Annual general shareholders meeting of May 3, 2012 Issue of bonus equity warrants to shareholders in the event of a public tender offer	15,000,000	18 months	This authorization was not exercised in 2012
Annual general shareholders meeting of May 3, 2012 Capital increase reserved for Group employees participating in the Employee Savings Plan	2% of the share capital(2)	18 months	This authorization was not exercised in 2012
Annual general shareholders meeting of May 3, 2012 Issuance of capital increase reserved for employees and executive officers of Group subsidiaries located outside France	2% of the share capital(2)	18 months	This authorization was not exercised in 2012

(1) These authorizations are given within an overall limit of € 30,000,000 as resolved by the Annual Shareholders' meeting of May 11, 2010.
(2) These authorizations are given within an overall limit of € 30,000,000 as resolved by the Annual Shareholders' meeting of May 3, 2012.

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 options

At December 31, 2012, there were 16,684 stock options available under the authorized Plan H decided by the Board of Directors on October 19, 2005, representing a potential 0.03 percent dilution of the Company’s share capital.

Performance shares

During 2012, the Company granted 465,384 free performance shares to Group employees, directors and executive officers which shall be vested upon achievement of the performance criteria.

Dilution caused by free share grants outstanding at December 31, 2012

At December 31, 2012, there were 426,488 free shares outstanding for which the vesting period had not yet expired, representing a 0.08 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.

OCEANE Convertible Bonds

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 preferential subscription rights.

This issue was subject to a prospectus, approved by the AMF under visa no. 11-062 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 until the seventh business day inclusive preceding the date of early redemption or at term, bondholders may request the allocation of shares of the Company at a rate of 1.004 share per bond, subject to adjustment.

The annual shareholders meeting of the Company of May 3, 2012 approved an ordinary dividend in the amount of €0.50 per share of which €0.13 was allocated from the share premium account.

In order to insure the rights of the OCEANE bondholders, and in accordance with the adjustment procedure set out in Article 4.2.6 of the prospectus approved as mentioned above by the AMF, the rate of exchange of shares for bonds, as of May 11, 2012, is set between 1 to 1.004 Ingenico shares for 1 OCEANE convertible bond.

The Company may, at its discretion, deliver new shares or existing shares or a combination of both.

At December 31, 2012, the number of potential issued shares is 6,704,059, representing 11.3 percent maximum dilution of capital linked to these bonds.

The related prospectus regarding this issuance is available in French on the Company’s website (www.ingenico.com).

Authorization to repurchase its own shares

Repurchase by the Company of its own shares or treasury shares (Article L. 225-211 of the French Commercial Code) for 2012 is set out below.

At the Shareholders Meeting held on May 3, 2012, 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 29, 2012. The launch of this program was decided by the Board on May 3, 2012.

This program cancels and replaces the program authorized under the eleventh resolution approved by the Shareholders’ Meeting of April 28, 2011.

Number of treasury shares purchased and sold during the year

In 2012:

- 2,458,704 shares were repurchased under the liquidity contract at an average price of €37.38;
- 2,549,803 shares were sold under the liquidity contract at an average price of €37.38;
- 4,175 shares were purchased under mandates other than the liquidity contract at an average price of €34.79. The related trading fees totaled €261 (including tax).

Number and value of treasury shares at December 31, 2012

As a result of trading activity during the year, the liquidity contract showed a positive balance of 8,396 shares at December 31, 2012.

At that same date, the portfolio of Ingenico shares bought back by the Company for other purposes, based upon the authorization granted by the Shareholders’ Meeting on April 28, 2011 and previous authorizations, totaled 244,241 shares as of December 31, 2012, repurchased at an average price of €22.68.

At December 31, 2012, the Company thus held a total of 252,637 treasury shares of which:

- 8,396 were purchased under the liquidity contract; and
- 244,241 were purchased for other purposes;

representing 0.48% of total share capital of 52,487,658 shares with par value of €1 each.

The value of this portfolio at December 31, 2012, was as follows:

- net book value: €5,899,664;
- market value: €10,863,391 on the basis of the closing price of €43.00 on December 31, 2012.

Use of treasury shares, including transfers for other purposes

During 2012, 528,923 treasury shares were granted to beneficiaries of free share plans.

None of those shares were transferred to other accounts in 2012.

During the past 24 months, none of the shares held by the Company were cancelled within the framework of the authorizations granted by the shareholders' meeting.

Description of the share repurchase program pursuant to Article 241-2 of the General Regulations of the French Stock Market Authority *(Autorité des marchés financiers - AMF)*

At their meeting of April 29, 2013, 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 Report of the Board of Directors, 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 Regulations of the AMF, Regulation No. 2273/2003 of the European Commission of December 22, 2003 and the market practices authorized by the AMF, 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 company savings plans and/or any other form of share allocation programs for employees and/or directors and executive officers of the Group, 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 AMF;
- Cancel all or part of the Company shares purchased as part of a capital reduction, provided that the eleventh 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 for the duration of the program to maintain liquidity of 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, 2012 (divided into 52,487,658 shares), and given that the Company held 252,637 treasury shares at that date, the Company would be authorized to purchase up to a ceiling of 4,996,128 shares.

Such share acquisitions may be made by all possible means that are in accordance with current stock market legislation and the code of acceptable market practice published by the AMF, 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 €65. On the basis of share capital at December 31, 2012, the maximum consideration the Company could pay in the event that it were to purchase shares at the maximum price of €65 would be €324,748,320, 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 right 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 AMF and any other body, as well as any and all other formalities, in particular, allocating or reallocating purchased shares to the different formalities, and generally to do whatever is necessary.

The present authorization is hereby granted for a period of eighteen months from the date of this Meeting and cancels and replaces the authorization granted to the same effect by the Annual Shareholders' Meeting of May 3, 2012."

Breakdown by purpose of shares held at February 28, 2013

At February 28, 2013, 21,000 of the 265,241 shares were held under a liquidity contract in compliance with the Code of Ethics approved by the AMF.

The shares held by the Company at February 28, 2013 (except for those held under a liquidity contract) are essentially destined for grants to employees, directors and executive officers of the Company or of affiliated companies by way of stock options or free shares granted as part of remuneration or in consideration for their contribution to the Group's expansion or in the context of vested stock options or in the context of employee shareholding or savings plans.

Authorization for share capital decrease

At their annual general meeting of May 3, 2012, the shareholders authorized the Company to reduce the share capital by cancellation of treasury shares.

This authorization was not implemented in 2012.

At their Meeting of April 29, 2013, 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 Report of the Board of Directors 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 eighteen months as of the date of this Shareholders' Meeting."

8.3 SHARE OWNERSHIP

8.3.1 CHANGES IN SHARE OWNERSHIP OVER THE LAST THREE FINANCIAL YEARS

For the purposes of this Registration Document, "voting rights" shall mean those that may be exercised at a general shareholders meeting and therefore do not include voting rights suspended on shares 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 vivo 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.

Share ownership as of December 31, 2012	No. of shares	% of shares	No. of voting rights	% of voting rights(1)
Morpho(2)	11,948,563	22.76%	18,518,679	28.99%
Thibault Poutrel	727,119	1.39%	1,449,238	2.27%
SUB-TOTAL	**12,675,682**	**24.15%**	**19,967,917**	**31.26%**
Jupiter(3)	2,684,396	5.11%	2,684,396	4.20%
Consellior(4)	1,120,000	2.13%	1,337,638	2.09%
FMR LLC	2,043,713	3.89%	2,552,364	3.99%
BNP Paribas Asset Management	1,306,051	2.49%	1,306,051	2.04%
Allianz Global Investors	1,046,062	1.99%	1,046,062	1.64%
Crédit Suisse	1,251,736	2.38%	1,251,736	1.96%
Mondrian	1,335,462	2.54%	1,335,462	2.09%
MAIN SHAREHOLDERS	**23,463,102**	**44.70%**	**31,481,626**	**49.27%**
Employee shareholders	130,372	0.25%	251,237	0.39%
Treasury shares	252,637	0.48%	-	
Of which shares are held under liquidity contract	*8,396*	*0.02%*	-	
Other shareholders (bearer and registered)	28,633,151	54.55%	32,157,198	50.34%
TOTAL	**52,487,658**	**100%**	**63,890,061**	**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 Shareholders Register managed by Caceis Corporate Trust.

(2) Morpho is controlled by the Safran group (2,020 shares are held through a consumer loan by two directors).

(3) Based on the most recent information on the declaration made by Jupiter to AMF on October 6, 2011 with respect to exceeding of regulatory major shareholding thresholds (occurred on September 30, 2011).

(4) Based on the most recent information on shareholders acting together in a collective dominant position received by the Company from Consellior on November 8, 2011.

To the best of the Company's knowledge, there is no other shareholder who holds, directly or indirectly, either alone or in concert, over 2 percent of share capital or voting rights.

On March 15, 2013, Safran announced that its subsidiary, Morpho, sold 6.6 million shares that it held in Ingenico's share capital. Following this transaction, Safran declares that it holds 10.2% of the Company's share capital and approximately 17% of voting rights (based on voting rights reported by Ingenico on February 28, 2013) and has confirmed its commitment that it shall not sell any more Ingenico shares during the 90-day lock-up period.

To the best of the Company's knowledge, there has been no other significant change since December 31, 2012.

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.

	December 31, 2011				December 31, 2010			
Shareholders	No. of shares	% of shares	No. of voting rights	% of voting rights(1)	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%	11,630,206	22.58%	22,826,405	32.90%
Consellior(3)	1,120,000	2.15%	2,234,114	3.40%	1,909,132	3.71%	3,768,401	5.43%
Thibault Poutrel	784,619	1.51%	1,569,238	2.39%	831,519	1.61%	1,663,038	2.40%
Michel Malhouitre(4)	659,279	1.27%	1,318,558	2.01%	702,279	1.36%	1,404,558	2.02%
Nadège Poutrel(5)	517,668	1.00%	1,029,883	1.57%	523,931	1.02%	1,036,146	1.49%
Maxime Poutrel(5)	445,556	0.86%	888,250	1.35%	452,694	0.88%	896,331	1.29%
Tessa Poutrel(5)	443,179	0.85%	883,526	1.35%	448,403	0.88%	891,995	1.29%
Jean-Jacques Poutrel(5)	294,517	0.57%	573,040	0.87%	294,697	0.57%	553,837	0.80%
SUB-TOTAL	**16,034,934**	**30.85%**	**28,136,841**	**42.86%**	**16,792,861**	**32.61%**	**33,040,711**	**47.62%**
FMR LLC	2,914,358	5.61%	3,423,009	5.22%	2,849,800	5.53%	3,385,481	4.88%
Jupiter(6)	2,684,396	5.16%	2,684,396	4.09%	2,276,801	4.42%	3,492,594	5.03%
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%**
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%
Treasury shares	868,484	1.67%	-	-	875,443	1.70%	-	-
TOTAL	**51,980,303**	**100%**	**65,635,100**	**100%**	**51,511,971**	**100%**	**69,379,303**	**100%**

(1) Shares that have been registered for over two years have double voting rights. These double voting rights are based on information in the Shareholders Register 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 on shareholders acting together in a collective position received by the Company from Consellior on November 8, 2011.
(4) Including 31,500 shares held as capital owner (children have economic beneficial ownership).
(5) Jean-Jacques Poutrel has established joint capital 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.
(6) Based on the most recent information on the declaration made by Jupiter to AMF on October 6, 2011 with respect to exceeding of regulatory major shareholding thresholds (occurred on September 30, 2011).

8.3.2 DIVIDEND POLICY

Ingenico has no particular dividend policy based on predetermined criteria. The Board of Directors decides on the amount of dividend payments based on the Company's operational results, financial condition and investment policy.

The Board of Directors of Ingenico decided to propose to the shareholders at their Annual Meeting of April 29, 2013, the distribution of a dividend of €0.70 per share, payable in cash or in shares, for the financial year 2012.

Financial year for which dividends were paid	Net dividend per share *(in €)*	Date of Dividend distribution
2012	0.70	Subject to approval by the shareholders at their Annual Meeting of April 29, 2013
2011	0.50	May 31, 2012
2010	0.35	May 31, 2011
2009	0.30	June 15, 2010
2008	0.25	June 18, 2009

Five years after the distribution date, all unclaimed dividends will be forfeited and paid to the French Treasury.

8.3.3 THRESHOLDS ON MAJOR HOLDINGS

Regulatory thresholds

The complete version of the following declarations regarding the crossing of major shareholding thresholds can be viewed online on the AMF website.

Shareholder	AMF Ruling No.	AMF Ruling Date	Date threshold was crossed	Threshold	Increase/ decrease in threshold
MORPHO	213C0358	19 March 2013	14 March 2013	25% of voting rights 20% of share capital and voting rights 15% of share capital	
FMR LLC	212C0152	27 January 2012	25 January 2012	5% of voting rights	decrease
FMR LLC	212C0138	26 January 2012	20 January 2012	5% of voting rights	decrease

Company statutory thresholds

Shareholder	Date threshold was crossed	Increase/ decrease in threshold	Threshold	Number of shares after threshold	% capital after threshold	% voting rights after threshold
Ameriprise	11 March 2013	increase	2% in capital	1,118,377	2.13%	1.75%
	5 Nov. 2012	decrease	2% in capital	1,024,593	1.95 %	1.59%
	1 Nov. 2012	increase	2% in capital	1,112,292	2.11%	1.73%
	8 May 2012	decrease	2% in capital	1,032,898	1.987%	1.553%
FMR LLC	6 March 2013	decrease	2% in voting rights	1,264,025 voting rights	-	1.97%
	30 Jan. 2013	decrease	2% in capital	1,014,854	1.93%	-
	18 Oct. 2012	increase	4% in capital and voting rights	2,043,713	3.89%	3.98%
Crédit Suisse	14 March 2013	decrease	2% in capital	805,405	1.53%	-
	17 May 2012	increase	2% in capital	1,251,736	2.36%	1.88%
Mondrian	10 Feb. 2012	increase	2% in voting rights	956,493	1.84%	2.57%
Allianz Global Investors Luxembourg	6 Jan. 2012	increase	2% in capital	1,046,062	2.012%	1.57%

8.3.4 SHAREHOLDER AGREEMENTS

AMF Ruling and Notice No. 206C2177

In a letter dated November 30, 2006 and received the same day, the 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 acting with Raiffeisen Centrobank A.G.(4) ("RCB"), which restated and replaced the terms of the shareholders' agreement entered into by these Ingenico shareholders on October 4, 2004, acting together in a collective position with respect to Ingenico shares and voting rights (refer to AMF Ruling and Notice No. 204C1192 of October 7, 2004 and AMF Ruling and Notice No. 204C1198 of October 11, 2004).

The parties to the above-mentioned agreement of November 23, 2006 have stated that they continue to act together in a collective position 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) Limited liability joint-stock company controlled by Mr. Allan Green, 4 avenue Hoche, 75008 Paris.
(4) On the basis of share capital comprising 32,007,076 shares and 37,408,654 voting rights.

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[4], broken down as follows:

	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 COLLECTIVE SHAREHOLDING	**2,313,347**	**7.23**	**3,105,726**	**8.30**

The preamble to the shareholders 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 any transaction on the stock 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 shareholders agreement are as follows:

Mutual right of first refusal[1]

In the event that one of the parties to this shareholders 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[2].

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 period, he/it shall be deemed to have irrevocably waived this right. The Offeror may waive 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 to be an irrevocable offer by the Offeror to sell the shares offered to these parties. The price to be paid to the Offeror by the beneficiary for such securities shall be equal to the price indicated in the offer, which shall be amount, 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 period, 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 ten trading days following the above-mentioned expiration date and that it is carried out at exactly the same price as 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 expiring five trading days prior to the closing date for the public offering to furnish written notice of his acceptance of the offer to the Offeror. Subject to compliance with current stock market regulations, the transfer of the shares in the offer shall be completed no later than two trading days prior to the closing date for the public offering. The price per share will be determined as follows:

- in the case of a public tender offer or an alternative offer, the price shall be equal to the final offering price indicated in the offer clearance decision;
- in the case of a public offer of exchange or a combined tender/exchange offer, the price shall be equal to the average opening share price in the first 10 trading days following the start of the public offer.

In the event of higher bids or rival offers, the price shall be equal to the highest bid.

Early termination of the shareholders agreement

The parties to the shareholders agreement have agreed that they may under no circumstances jointly hold more than 30 percent of Ingenico's share capital and/or voting rights.

In the event that, following the acquisition by whatever means of additional shares by one of the parties to the shareholders agreement, the aggregate shareholdings of the parties were to exceed 30 percent of Ingenico's share capital and/or voting rights, the shareholders' agreement would be terminated by right and without formalities.

Term of the shareholders agreement

The shareholders agreement shall continue to be binding on the parties, each of whom shall refrain from entering into any similar agreement with third parties for as long as the aggregate shareholdings of the parties represent at least five per cent of Ingenico's share capital or voting rights, and for a period not exceeding 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.

(1) 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.

(2) 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.

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 period 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, the Consellior group and Raiffeisen Centro Bank AG ended the collective position and adherence to the shareholders agreement of November 23, 2006. Since that date, the collective shareholding position 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 of the Company.

8.4 INGENICO SHARE MARKET

8.4.1 LISTING

Ingenico share is listed on Euronext Paris-Eurolist A and is included in its SBF120 index. Ingenico announced the reclassification of its ICB (Industry Classification Benchmark) from 'Industrial Goods and Services' to 'Technology' as from March 19, 2012. Ingenico has also been included in the Stoxx Europe 600 index as from December 19, 2011.

At the end of December 2012, Ingenico share price closed at €43 and market capitalization reached €2.256 billion.

8.4.2 INGENICO SHARE (ISIN: FR0000125346) PRICE AND VOLUME OF TRANSACTIONS OVER 18 MONTHS

SHARE PRICE EVOLUTION AND VOLUME OF TRANSACTIONS OVER 18 MONTHS

Month	High	Low	Volume traded *(in millions of shares)*	Close	Volume *(in million euros)*	Average
July 2011	35.10	28.61	2.53	29.40	74.67	29.50
August 2011	29.88	22.12	4.33	28.42	122.34	28.25
September 2011	29.66	25.75	2.42	28.19	68.10	28.15
October 2011	29.42	26.30	2.62	28.60	74.98	28.62
November 2011	31.20	26.86	3.01	29.11	87.73	29.15
December 2011	30.19	26.22	2.09	27.90	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
March 2012	38.19	34.645	3.53	36.305	129.39	36.56
April 2012	39.875	34.62	3.70	39.74	137.66	37.23
May 2012	40.05	33.32	3.47	34.19	123.77	35.85
June 2012	38.32	33.135	3.09	38.32	109.59	35.52
July 2012	43.76	38.32	3.68	43.55	150.69	40.83
August 2012	44.685	39.515	3.18	42.175	131.76	41.57
September 2012	42.95	38.64	3.75	40	151.39	40.40
October 2012	41.81	37.825	4.94	40.84	197.83	40.06
November 2012	41.65	38.155	3.04	40.93	121.24	39.93
December 2012	44.3	40.14	3.06	43	129.53	42.18
January 2013	47.09	43.14	3.83	46.425	173.80	45.13
February 2013	49	43.25	4.88	46.4	227.65	47.06

Source: Bloomberg

8.5 ADDITIONAL INFORMATION

8.5.1 DOCUMENTS AVAILABLE TO THE PUBLIC

The Articles of Association and the parent company and consolidated financial statements for the last three financial years may be consulted by appointment at the registered office and viewed online at www.ingenico.com/en/finance.

8.5.2 PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Certification of the person responsible for the registration document

“I hereby certify that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document accurately reflects, to the best of my knowledge, the facts and contains no omission that would be likely to affect its meaning.

I hereby certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the relevant accounting standards and give a true representation of the assets, financial situation and result of the Company and all consolidated companies, and that the Report of the Board of Directors, for which a cross-reference table can be found on page 250 of this Registration Document, is a true reflection of the evolution of the business, the results and the financial situation of the Company and all its consolidated entities, as well as a description of the main risks and uncertainties facing them.

I have obtained a letter from the statutory auditors confirming that they have completed their work and indicating that they have verified the financial situation and the financial statements included in this Registration Document and reviewed the document as a whole.

The audit report from the statutory auditors on the Consolidated Financial Statements for the financial year ended December 31, 2012, presented in Chapter 5 of this Registration Document, can be found on page 177 of this Registration Document, includes the following remark:

“Without qualifying our opinion, we draw your attention to:

- Note 27 of the Annex to the Consolidated Financial Statements regarding the status as of December 31, 2012, of the on-going tax litigation involving Ingenico SA’s Brazilian subsidiary;
- Note 2 of the Annex to the Consolidated Financial Statements explaining the change as of January 1, 2012 in the accounting method for foreign exchange conversion differences.”

The audit report from the statutory auditors on the consolidated financial statements for the financial year ended December 31, 2011 as shown on page 146 of the 2011 Registration Document filed with the AMF on March 29, 2012 under number D.12-0240, incorporated by reference with the relevant historical accounts, contains the following remark:

«Without qualifying our opinion, we draw your attention to the matter set out in Note 27 of the annex to the 2011 consolidated financial statements regarding the on-going tax litigation involving Ingenico SA’s Brazilian subsidiary.”

Philippe LAZARE

Chairman and Chief Executive Officer

Persons responsible for the financial information as of the date of this registration document

Patrice DURAND, Executive Vice President Finance and Operations (+33 1 58 01 85 92)

Catherine BLANCHET, Vice-President, Director of Communication and Investor Relations (+33 1 58 01 85 68, finance@ingenico.com)

8.5.3 PERSON RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS AND FEES

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 - 92 939 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 fi nancial 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

CGEC and Mr. Daniel BOULAY were re-appointed at the Annual General Shareholders Meeting of May 11, 2010, for a new term of six financial years, i.e., until the conclusion of the general shareholders meeting deliberating on the financial statements for the year ending December 31, 2015, to be held in 2016.

However, since CGEC and Mr. Daniel BOULAY have resigned from their office, it is being proposed to the Annual General Shareholders Meeting of April 29, 2013, to appoint MAZARS and Mr. Jean-Louis SIMON, respectively, to replace them. (For more details on these resolutions, refer to Chapter 7 of this Registration Document.).

Auditors' fees

	KPMG				CGEC			
	Fees excl. VAT *(in thousands of euros)*		in %		Fees excl. VAT *(in thousands of euros)*		in %	
	2012	2011	2012	2011	2012	2011	2012	2011
Audit fees								
Statutory audits, certification of separate and consolidated financial statements								
• Ingenico SA	355	627	27%	44%	238	238	50%	57%
• Fully consolidated subsidiaries	693	735	53%	52%	194	182	41%	43%
Other procedures and services directly related to statutory audit engagements								
• Ingenico SA	37		3%	0%	7	0	1%	0%
• Fully consolidated subsidiaries	120		9%	0%	33	0	7%	0%
Sub-Total	**1,206**	**1,362**	**93%**	**96%**	**472**	**420**	**100%**	**100%**
Fees for other services rendered by the audit firms to fully consolidated subsidiaries								
Advisory on legal, tax and labor issues	95	55	7%	4%	-		0%	0%
Other services	-		-		-		0%	0%
Sub-Total	**95**	**55**	**7%**	**4%**	**-**	**0**	**0%**	**0%**
TOTAL	**1,301**	**1,417**	**100%**	**100%**	**472**	**420**	**100%**	**100%**

CROSS-REFERENCE TABLE TO THE REGISTRATION DOCUMENT

The following cross-reference table has been prepared on the basis of Annex 1 of the European Commission Regulation (EC) no. 809/2004 dated April 29, 2004 (the "Annex I") and indicates the pages of the 2011 Registration Document on which the information corresponding to the subjects mentioned in this Annex I can be found.

European Commission Regulation (EC) No 809/2004 dated April 29, 2004 – Annex I		Registration Document
No.	**Subject**	**Page of the 2011 Registration Document**
9.	**OPERATING AND FINANCIAL REVIEW**	
9.1.	Financial condition of the issuer, evolution of this financial condition and the operational results for each financial year and interim period covered by the historical financial information	82-86
9.2.	Operational result	82-86
9.2.1	Significant factors materially affecting the issuer's income	18-23
9.2.2	Material changes in net sales or revenues	82
9.2.3	Governmental, economic, budgetary, monetary or political policies or factors	18
10.	**CAPITAL RESOURCES**	
10.1	Information on the issuer's capital resources	151
10.2.	Sources and amounts of the issuer's cash flows and description of cash flows	111-113
10.3.	Information on the issuer's borrowing requirements and funding structure	111-113
10.4.	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations	111-113
10.5.	Information regarding the anticipated sources of funds needed to fulfill commitments referred to in items 5.2.3 and 8.1	111-113
11.	**RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES**	**12-13**
12.	**TREND INFORMATION**	
12.1.	Significant trends in production, sales and inventory, costs and selling prices since the end of the last financial year to the date of the registration document	NA
12.2.	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year	NA
13.	**PROFIT FORECAST OR ESTIMATES**	**NA**
14.	**ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT**	
14.1.	Information concerning the administrative, management and supervisory bodies	48
14.2.	Conflicts of interest at level of the administrative, management and supervisory bodies and senior management	77
15.	**REMUNERATION AND BENEFITS**	
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15.2.	Total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefits	176
16.	**ADMINISTRATION AND BOARD PRACTICES**	
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16.2.	Information about the service contracts of any member of the administrative, management or supervisory bodies with the issuer or any of its subsidiaries providing for benefits in kind or a statement of non-applicability	77
16.3.	Information about the issuer's audit committee and remuneration committee	54-55
16.4.	Statement as to whether or not the issuer complies with the corporate governance regime applicable to its jurisdiction	49
17.	**EMPLOYEES**	
17.1	Number of employees at the end of the relevant historical financial period or average number of employees for each financial year during this period and breakdown by main function and location	35
17.2.	Shareholding and stock option awards	74-75, 152-155, 194
17.3.	Arrangement for involving the employees in the capital of the issuer	74-75
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18.1.	Names of any non-member of the administrative, management or supervisory bodies holding, directly or indirectly, a percentage of the share capital or voting rights of the issuer which should be notified as per the applicable local requirements as well as the shareholding amount or, if not applicable, a statement of non-applicability	238
18.2.	Different voting rights or a statement of non-applicability	232
18.3.	Indirect or direct shareholding or control of the issuer	238
18.4.	Arrangements known to the issuer whose transactions could at a later date result in a change of control of the issuer	238

European Commission Regulation (EC) No 809/2004 dated April 29, 2004 – Annex I		Registration Document
No.	**Subject**	**Page of the 2011 Registration Document**
19.	**RELATED PARTY TRANSACTIONS**	**176**
20.	**FINANCIAL INFORMATION CONCERNING THE ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES OF THE ISSUER**	
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20.2.	Pro forma financial information	NA
20.3.	Financial statements	89-176, 179-203
20.4.	Audit of the historical financial information	179-203
20.4.1	Statement that the historical financial information have been audited	179-203
20.4.2	Other information audited by the statutory auditors	NA
20.4.3	Financial data not extracted from the issuer's audited financial statements	NA
20.5.	Date of the latest financial information	243
20.6	Interim financial information and other financial information	NA
20.6.1.	Quarterly and bi-annual financial information	NA
20.6.2.	Interim financial information covering the six first months of the financial year in progress	NA
20.7	Dividend policy	239
20.7.1.	Amount of dividends per share	239
20.8.	Legal and arbitration proceedings	23
20.9.	Significant changes in the financial or trading position	NA
21.	**ADDITIONAL INFORMATION**	
21.1.	Share capital	233
21.1.1.	Amount of issued share capital	233
21.1.2.	Non-capital shares	NA
21.1.3.	Shares in the issuer held by the issuer itself or on its behalf or by its subsidiaries	235
21.1.4.	Convertible or exchangeable securities or securities with warrants	235, 156
21.1.5.	Acquisition rights and/or obligations on the issued capital	NA
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21.1.7	Share capital history	238, 239
21.2.	Incorporation and Articles of Association	230
21.2.1	Company purpose	230
21.2.2	Members of the administrative, management and supervisory bodies	48
21.2.3	Rights, liens and restrictions attached to each class of existing shares	230
21.2.4	Changes in shareholders' rights	230
21.2.5	General shareholders meetings	231
21.2.6	Provision of the issuer's incorporation, articles of association, charter or internal regulations that would have an effect of delaying, deferring or preventing a change in control of the issuer	232
21.2.7	Provision of the issuer's incorporation, articles of association, charter or internal regulations governing the ownership threshold above which shareholder ownership must be disclosed	232
21.2.8	Conditions imposed by the incorporation act and the articles of association, charter or internal regulations governing changes in capital	NA
22.	**MATERIAL CONTRACTS**	**NA**
23.	**THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST**	**NA**
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24.	**DOCUMENTS AVAILABLE TO THE PUBLIC**	**243**
25.	**INFORMATION ON HOLDINGS**	**117**

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 Regulations.

CROSS-REFERENCE TABLE TO THE REPORT OF THE BOARD OF DIRECTORS

This Registration Document includes all the elements of the Company's Report of the Board of Directors required under Articles L. 225-100 *et seq.*, L. 232-1, II, and R. 225-102 of the French Commercial Code.

N°	**Information**	**Reference to pages of the Registration Document**
I	**Management Report**	
1	Overview of the activity and evolution of business, results and financial position of the Company and the Group	
	Corporate and Group activity for the year including information on suppliers and customers invoice payment periods (Article L. 441-6-1 of the French Commercial Code)	82-86, 87-88, 193
	Research and Development	12-16
	Acquisitions made during the financial year	118
	Dividend Policy and dividends distributed during the last 3 financial years	239
	Planned development, opportunities and forecasts of the company and its business	86
	Significant post-closing events after the end of the financial year	85
2	Main risks affecting the Company and the group	18-24
3	Table summarizing authorizations granted by the shareholders	234
4	Share capital	
	Regulatory and company statutory thresholds crossings in 2012	240
	Share ownership and voting rights	238
	Statutory restrictions to the exercise of voting rights/shares transfers	232
	Agreement clauses relating to Article L. 233-11 of the French Commercial Code	232
5	Employee share ownership	238
6	Directors	
	Rules for the appointment and replacement of Board members	49
	Directors' compensation	70-75
	Positions and duties of the Board members in 2012	59-70
	Transactions entered into by Directors and Executive officers, and related parties during the previous year	76
7	Procedure for amendment of the Articles of Association	232
8	Human Resources, Environmental and corporate information	25-46
10	Report on the previous authorization to repurchase shares	235-237
11	Agreements entered into in 2012 in respect of Article L. 225-38 of the French Commercial Code	78
12	Five-year financial summary	205
13	Elements liable to affect the price of a public offering	232

CROSS-REFERENCE TABLE TO CORPORATE SOCIAL RESPONSIBILITY

Cross-reference table based on Decree n°2012-557 of April 24, 2012

ENVIRONMENTAL INFORMATION

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Organization of the company and environment-related assessment or certification initiatives	26, 33
Training and information provided to employees on environmental protection	26-27
Prevention of environmental risks and pollution	33
Amount of the reserves and guarantees for environment-related risks	34
Pollution and waste management	
Prevention, reduction or compensation measures for air, water or ground emissions that seriously affect the environment	29-33
Waste prevention, recycling and reduction measures	28-29, 33-34
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Recognition of any other activity-related pollution	27-30
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Water consumption and water procurement on the basis of local constraints	34
Consumption of raw materials and the measures undertaken to improve the efficiency of their usage	34
Energy consumption, measures undertaken to improve energy efficiency and to use renewable energies	34
Land use	30
Climate change	
Greenhouse gas emissions	31, 34
Adaptation to climate changes	33-34
Biodiversity protection	
Measures undertaken to preserve or develop biodiversity	30

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Compensation and its evolution (social charges, profit-sharing and employee saving schemes)	38
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Work time organisation (working hours for full-time and part-time employees, additional hours, external manpower)	38
Absenteeism (reasons)	38
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Outcome of agreements signed with trade union organisations or employee representatives regarding occupational health and safety	39
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Social and environmental responsibility in relation to suppliers and sub-contractors	45
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Actions implemented to prevent any kind of corruption	46
Measures implemented to promote consumer health and safety	46
Other actions promoting human rights	**46**

EBITDA 223 MILLION EUROS

REVENUE UP BY 20%

4,000 EMPLOYEES

6M TERMINALS SOLD

125 COUNTRIES

NET RESULT UP BY 71%

2,000 APPLICATIONS

100,000 CLIENTS OF EASYCASH

2 BILLION TRANSACTIONS PER YEAR IN EUROPE

1,206,000,000 EUROS REVENUE

EBITDA 18.5% OF REVENUE

42,000 CLIENTS OF OGONE

8% OF REVENUE FOR R&D

14% ACTIVITY GROWTH

20,000,000 TERMINALS DEPLOYED

N°1

4,000 TRANSACTIONS PER MINUTE

ingenico

40 OFFICES AND AFFILIATES

30 YEARS OF EXPERIENCE

DIVIDEND UP BY 40%