INSIDE Secure first-half 2013 results

- **H1 2013 consolidated revenue up 14% year-on-year at $70.8 million**
- **Sharp reduction in adjusted operating loss[1], down 61% year-on-year, at $6.3 million**
- **ESS integration completed, with favourable business momentum**
- **On-going strategic shift towards security solutions for mobiles and connected devices**

Aix-en-Provence, France, August 2, 2013 – INSIDE Secure (NYSE Euronext FR0010291245 - INSD), a leader in semiconductor and software solutions for securing transactions, content and digital identity, today reports its consolidated results[2] for the six-month period ended June 30, 2013.

Financial results for the 1st half of 2013 - Key figures

	Ajusted		IFRS	
(in thousands of US$)	**S1-2013**	**S1-2012**	S1-2013	S1-2012
Revenue	**70 765**	**62 200**	70 765	62 200
Gross profit	**26 850**	**15 616**	20 821	14 473
As a % of revenue	***37,9%***	***25,1%***	*29,4%*	*23,3%*
Operating income	**-6 313**	**-16 178**	-20 559	-19 218
As a % of revenue	***-8,9%***	***-26,0%***	*-29,1%*	*-30,9%*
Net Income	**-6 756**	**-18 074**	-21 002	-21 113
As a % of revenue	***-9,5%***	***-29,1%***	*-29,7%*	*-33,9%*

Commenting on these results, Rémy de Tonnac, Chief Executive Officer of INSIDE Secure, said:

"INSIDE Secure improved its performance in the 1st half of 2013, despite the economic and competitive environment remaining difficult. The integration of ESS has been completed and the reorganization plan is progressing in line with the targets announced at the start of the year. As part of its current strategic shift, the Group strengthens its security solutions offering and refocuses on high value-added products, leveraging on the NFC deployment for connected devices. The growth in our revenue and the reduction in our operating loss, together with our on-going solid financial position, are very encouraging as we pursue this new growth strategy."

[1] *Some financial measures and performance indicators are presented on an adjusted basis as defined in Appendix 2 of this press release. These indicators are not defined under IFRS and do not constitute accounting elements used to measure the Group's financial performance. They should be considered to be supplementary information, not substitutable for any other indicators of operating and financial performance that are strictly accounting measures, such as those presented in the Group's consolidated financial statements in Appendix 1.*

[2] *The consolidated interim financial statements were prepared by the Management Board and reviewed by the Supervisory Board on July 31, 2013, and have been subject to a limited review by the statutory auditors.*

Financial information for the 2nd quarter of 2013 and 1st half of 2013

Consolidated revenue (IFRS) for the 2nd quarter of 2013

(in thousands of US$)	Q2-2013	Q2-2012	Q1-2013	year-on-year %	quarter-to-quarter %
Mobile NFC	9 502	8 348	4 534	14%	110%
Secure payment	7 053	7 038	10 703	0%	-34%
Digital security	13 915	12 789	12 251	9%	14%
Embedded security solutions	6 255	0	6 552		-5%
Total	**36 726**	**28 176**	**34 039**	**30%**	**8%**

At $36.7 million, consolidated revenue for the 2nd quarter of 2013 was up 30% relative to the 2nd quarter of 2012 and up 8% relative to the 1st quarter of 2013.

Normalized[3] revenue for the 2nd quarter of 2013

(in thousands of US$)	Q2-2013 normalized	Q2-2012 normalized	Q1-2013 normalized	year-on-year %	quarter-to-quarter %
Mobile NFC	9 502	8 348	4 534	14%	110%
Secure payment	7 053	7 038	10 703	0%	-34%
Digital security	13 915	12 789	12 251	9%	14%
Embedded security solutions	6 962	7 865	7 475	-11%	-7%
Total	**37 433**	**36 041**	**34 962**	**4%**	**7%**

On a normalized basis, revenue for the 2nd quarter of 2013 was $37.4 million, up 4% relative to the 2nd quarter of 2012 and up 7% relative to the 1st quarter of 2013.

Consolidated revenue for the 1st half of 2013

(in thousands of US$)	H1-2013 consolidated	H1-2012 consolidated	year-on-year %	H1-2013 normalized	H1-2012 normalized	year-on-year %
Mobile NFC	14 036	22 606	-38%	14 036	22 606	-38%
Secure payment	17 756	14 866	19%	17 756	14 866	19%
Digital security	26 166	24 728	6%	26 166	24 728	6%
Embedded security solutions	12 807	0		14 437	14 886	-3%
Total	**70 765**	**62 200**	**14%**	**72 395**	**77 086**	**-6%**

Consolidated revenue for the 1st half of 2013 totalled $70.8 million, up 14% compared with the 1st half of 2012.

As expected, the integration of ESS led to an increased proportion of high-margin revenue coming from licences, royalties, maintenance and other services, which totalled $13.4 million (19% of total revenue in the 1st half of 2013), sharply higher than in the 1st half of 2012 (5% of revenue). Product revenue amounted to $57.3 million in the 1st half of 2013.

[3]Normalized revenue is defined as the combined revenue from the activities of INSIDE Secure and ESS as if the acquisition of ESS had been effective from January 1, 2012 and without taking into account the accounting impact of the purchase price allocation.

Adjusted operating income

(in thousands of US$)	H1-2013	H1-2012	% var.
Revenue	70 765	62 200	13,8%
Adjusted gross profit	**26 850**	**15 616**	71,9%
As a % of revenue	*37,9%*	*25,1%*	
Research and development expenses	(18 107)	(18 296)	-1,0%
As a % of revenue	*-25,6%*	*-29,4%*	
Selling and marketing expenses	(10 646)	(8 781)	21,2%
As a % of revenue	*-15,0%*	*-14,1%*	
General and administrative expenses	(4 937)	(4 281)	15,3%
As a % of revenue	*-7,0%*	*-6,9%*	
Other gains / (losses), net	527	(437)	-
Adjusted operating expenses	(33 163)	(31 795)	4,3%
As a % of revenue	-46,9%	-51,1%	
Adjusted operating income / (loss)	**(6 313)**	**(16 178)**	-61,0%
As a % of revenue	*-8,9%*	*-26,0%*	

H1 2013 **adjusted gross profit** was $26.9 million (37.9% of revenue), an increase of $11.3 million or 72% relative to the 1st half of 2012. This was due to an improvement in the product mix following the ESS integration.

Research and development expenses were stable overall in the 1st half of 2013 compared with the year-earlier period. Higher expenses resulting from the integration of ESS were offset by lower expenses in the Mobile NFC division.

Selling and marketing expenses and General and administrative expenses rose by 19% year-on-year in the 1st half of 2013, due in particular to higher spending resulting from the integration of ESS. Part of this increase was offset by the continuation of the cost saving plan in the Group's other divisions launched in the 2nd half of 2012.

As a result, the Group significantly reduced its **adjusted operating loss**, which amounted to $6.3 million in the 1st half of 2013 as opposed to $16.2 million in the year-earlier period.

Impact of the reorganization plan

As part of its business reorganization plan, announced on March 6, 2013, INSIDE Secure has completed its reduction plan of about 20% of its global workforce, both in France and in the other countries covered by the plan. Half of the people concerned by the plan left the Group between March and June 2013 and the other half is expected to leave the Group in the 3rd quarter and a smaller portion in the 4th quarter of 2013. In France, following consultation with employee representative bodies, a restructuring plan affecting 22 jobs and including various support measures is being rolled out.

In the 1st half of 2013, this reorganization resulted in a charge of $6.6 million, including a restructuring provision relating to staff departures under the plan in the 2nd half of 2013 ($4.5 million) and an impairment charge relating to property, plant and equipment ($0.1 million).

Overall, the Group expects the reorganization plan to lead to:

- a cash outflow of around $6.7 million in 2013 (less than the $7 million announced in March 2013) including $2.1 million already paid out in the 1st half of the year;
- starting 4th quarter of 2013, a reduction of around $13 million in operating expenses (cuts in administrative and selling expenses, increased focus in R&D and greater operational efficiency) on an annualised basis, in line with the targets announced at the start of the year.

Net financial items

Net financial expense totalled €0.2 million in the 1st half of 2013, as opposed to an expense of $1.8 million in full-year 2012, the difference coming mainly from the change in the EUR/USD exchange rate.

Adjusted net income

The adjusted net loss fell to $6.8 million in the 1st half of 2013 as opposed to $18.1 million in the year-earlier period, because of the significant reduction in the adjusted operating loss as described above.

Consolidated net income

Given restructuring costs ($6.6 million) and the amortisation of intangible assets resulting from acquisitions ($7 million)[4], the consolidated net loss (IFRS), Group share for the 1st half of 2013 was $21.0 million, as opposed to $21.1 million in the 1st half of 2012. The net loss per share amounted to $0.62 versus a loss of $0.70 in the 1st half of 2012.

Business segment analysis

	As at June 30, 2013					
(in thousand of dollars)	**Mobile NFC**	**Secure payment**	**Digital security**	**Embedded security solutions**	**Common unallocated**	**Total H1-2013**
Revenue	14 036	17 756	26 166	12 807	-	70 765
Contribution to revenue	*20%*	*25%*	*37%*	*18%*	-	*100%*
Operating income	(13 606)	979	1 615	(1 554)	(7 993)	(20 560)
Adjusted operating income	(13 433)	1 432	2 783	4 092	(1 187)	(6 313)
As a % of revenue	-96%	8%	11%	32%	0%	-9%

	As at June 30, 2012					
(in thousand of dollars)	**Mobile NFC**	**Secure payment**	**Digital security**	**Embedded security solutions**	**Common unallocated**	**Total H1-2012**
Revenue	22 606	14 866	24 728	-	-	62 200
Contribution to revenue	*36%*	*24%*	*40%*	-	-	*100%*
Operating income	(17 053)	(3 101)	2 428	-	(1 491)	(19 218)
Adjusted operating income	(16 386)	(2 410)	4 110	-	(1 491)	(16 178)
As a % of revenue	-72%	-16%	17%			-26%

Note: Unallocated expenses correspond to unused capacity not allocated to business segments and for 2013, to restructuring expense

Mobile NFC

Mobile NFC revenue doubled to $9.5 million in the 2nd quarter of 2013 relative to the 1st quarter. As expected, revenue was driven by further deliveries to BlackBerry and its subcontractors, which remain the Group's main customers in this segment as of today.

The segment's adjusted operating loss was 18% lower than in the 1st half of 2012, totalling $-13.4 million. This was due to lower operating expenses, both in absolute terms and because of the reallocation of resources to security products.

The Group delivered its first volumes of NFC microcontrollers within the Intel ecosystem (ultrabooks and laptops). It continued to make good progress with the development programme as part of its contract with Intel and released the first version of next-generation NFC controller IP to Intel. The Group is also actively sampling its ComboPulse combining the Group’s secure element and an active-modulation NFC interface allowing very small footprint integration.

[4] *See the table in Appendix 2 that reconciles IFRS results with adjusted results.*

Secure Payment

Secure Payment revenue rose substantially to $17.8 million in the 1st half of 2013, driven mainly by sales of contactless chips.

The segment posted adjusted operating income of $1.4 million in the period, as opposed to a loss of $2.4 million in the 1st half of 2012. This was the result of higher revenue and gross margin, along with lower operating expenses.

The Group is continuing to focus on developing a semiconductor platform designed to meet the specific requirements of the US market. In the 1st half, the first platform developed by the Group for the adoption of the EMV standard in the USA was certified by MasterCard, VISA and Datacard Group, a leading provider of secure identification and card customisation solutions in the USA.

Digital Security

Revenue in the Digital Security segment was $13.9 million in the 2nd quarter of 2013, up 14% sequentially and up 9% relative to the 2nd quarter of 2012. Growth was driven in particular by products designed for electronic document identification. The Group also achieved its first design-ins in the anti-counterfeiting market.

Research and development and selling and marketing expenses increased, in line with strategic priorities, and this pushed adjusted operating income down to $2.8 million in the 1st half of 2013, lower than in the year-earlier period.

Embedded Security Solutions (ESS)

Consolidated revenue in the ESS segment totalled $6.3 million in the 2nd quarter of 2013 ($7.0 million on a normalised basis). The revenues of the 2nd quarter decreased year-on-year and sequentially, but are in line with the average of quarterly revenues over the last twelve months. Revenues from the recurring royalties are slightly up compared to the 2nd quarter of 2012 and in strong increase compared to the average royalty revenues in 2012.

Adjusted operating income came to $4.1 million in the 1st half of 2013, equal to 32% of revenue for the segment. ESS has generated solid revenue and profit since the acquisition, reflecting its successful integration within INSIDE Secure. The integration is now complete.

The division saw positive commercial momentum for intellectual property used in designing secure semiconductors. It signed a design-in licence with a major US company that develops network interfaces and semiconductor components for the IT industry.

In Digital Rights Management (DRM), ESS generated solid royalties, particularly from major content providers in Japan.

INSIDE Secure's VPN client was integrated into Samsung's Galaxy S4 smartphone for US telcos AT&T and Verizon.

Cash and other key figures

At June 30, 2013, the Group's available cash stood at $41.8 million, as opposed to $66.3 million at December 31, 2012.

This decrease was mainly due to a $9.4 million growth in the working capital requirement, along with non-recurring items ($5.2 million earn-out payment relating to the ESS acquisition and $2.1 million paid out in relation to the reorganization plan).

At June 30, 2013, net cash[5] amounted to $40.7 million, as opposed to $59.6 million at December 31, 2012.

Nevertheless, the Group's financial position remains solid, with shareholders' equity amounting to $100.7 million at June 30, 2013.

Cash flow from operating activities

Operating activities generated a cash outflow of $15.4 million in the 1st half of 2013, as opposed to $26.3 million in the year-earlier period.

In the 1st half of 2013, net cash used in operations, adjusted for depreciation and amortisation charges and reversals was limited to $5.7 million, as opposed to $15.7 million in 2012, including $2.1 million of outflows relating to the reorganization plan.

The working capital requirement, which was very low at December 31, 2012, increased significantly in the 1st half of 2013, using up $9.4 million of cash as opposed to $10.4 million in the 1st half of 2012:

- In particular, inventories rose by 25% relative to December 31, 2012 and 31% relative to June 30, 2012.
- In addition, at June 30, 2012, the Group benefited from financing related to the research tax credit receivable with respect to 2011, whereas at June 30, 2013, no financing related to the research tax credit receivable with respect to 2012 ($7.9 million) had been arranged, increasing the working capital requirement at that date.

However, in July 2013, the Group signed an agreement with BPI France (formerly OSEO), which will provide financing equal to 80% of the research tax credit receivable, helping to finance the Group's working capital requirement in line with its normal practice.

Investing activities

With the terms of the ESS purchase agreement fully met, in line with the Group's expectations, an earn-out payment of $5.2 million was made in the 1st quarter of 2013. As a result, the final purchase price was, as expected, $46.3 million, net of cash acquired.

In the 1st half of 2013, the Group also acquired $2.2 million of property, plant and equipment and intangible assets, as opposed to $4.0 million in the 1st half of 2012.

Financing activities

In the 1st half of 2013, the Group did not carry out any significant financing transactions.

Outlook for 2013

By the end of 2013, INSIDE Secure intends to finalize the reorganization plan of its activities announced on March 6, allowing the Company to reduce its operating expenses by a total of $13 million on an annualized basis. The full effect of these cost reductions is expected from the 4th quarter of 2013 onwards.

From an operational standpoint, INSIDE Secure will keep on implementing its current strategic shift, in order to strengthen its security solutions offering on high value-added products, leveraging on the NFC deployment for mobile and connected devices.

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[5] *Net cash is defined as cash on hand, marketable securities, time deposits and derivative financial instruments, less obligations under finance leases, bank overdrafts, bank loans and any additional payment related to business combinations.*

Conference call

Management will comment on its 1st half 2013 results in a conference call on August 2, 2013 at 8:30 am (Paris). Access to the call will be by dialling one of the following numbers: +33 (0)1 70 77 09 34 (France), +44 20 3367 9453 (United Kingdom) or + 1 866 907 59 23 (USA). The presentation will be available on our website: www.insidesecure.com. An audio webcast of the presentation and the Q&A session will be available on the INSIDE Secure website approximately three hours after the end of the presentation and will remain posted there for one year.

Financial calendar

- Publication of revenue for the 3rd quarter of 2013: October 24, 2013 (before trading).

INSIDE Secure also announces that it has made available to the public and submitted to the AMF its **interim financial report as of June 30, 2013 ("rapport financier semestriel").** The report can be viewed on the Company's website: http://www.insidesecure-finance.com/en/Financial-presentation/2013.

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About INSIDE Secure

INSIDE Secure (NYSE Euronext Paris: FR0010291245 – INSD) is a leading designer, developer and supplier of semiconductor and software solutions for securing transactions, content and digital identity. INSIDE Secure mobile NFC, secure payment, embedded security and digital security solutions provide security for a wide range of information processing, storage and transmission applications. The company's customers are found in a wide range of markets, including mobile payment, identification documents, access control, transit, electronic device manufacturing, pay television, mobile handsets and wireless content and service providers. For more information, visit www.insidesecure.com.

Supplementary non-IFRS financial information

The supplementary non-IFRS financial information presented in this press release (normalised revenue) is defined within the press release. These indicators are not defined under IFRS, and do not constitute accounting elements used to measure the Group's financial performance. They should be considered in addition to, and not as a substitute for, any other operating and financial performance indicator of a strictly accounting nature, as presented in the Group's Consolidated Financial Statements and the corresponding notes. The Group uses these indicators because it believes they are useful measures of its activity. These indicators are not necessarily directly comparable to those of other companies, which may have defined or calculated their indicators differently to the Group, even though they use similar terms.

Forward-looking statements

This press release contains certain forward-looking statements concerning the INSIDE Secure group. Although INSIDE Secure believes its expectations to be based on reasonable assumptions, they do not constitute guarantees of future performance. The Group's actual results may accordingly differ materially from those anticipated in these forward-looking statements owing to a number of risks and uncertainties. For a more detailed description of these risks and uncertainties, please refer to the "Risk Factors" section of the annual financial report of April 24, 2013, available on www.insidesecure.com.

Appendix 1 - Consolidated income statement, balance sheet and cash flow statement (IFRS)

The following tables form part of the condensed interim consolidated financial statements, prepared in accordance with IFRS, which are available on the Company's website.

Consolidated income statement

In thousands of US$	**6-month period ended**	
	June 30, 2012	**June 30, 2013**
Revenue	62 200	70 765
Cost of sales	(47 726)	(49 945)
Gross profit	**14 473**	**20 821**
Research and development expenses	(19 314)	(19 263)
Selling and marketing expenses	(9 045)	(10 770)
General and administrative expenses	(4 729)	(4 991)
Other gains / (losses), net	(603)	(6 356)
Operating loss	**(19 218)**	**(20 559)**
Finance income / (loss), net	(1 846)	(222)
Loss before income tax	**(21 064)**	**(20 781)**
Income tax expense	(49)	(221)
Loss for the period	**(21 113)**	**(21 002)**
Attributable to:		
Equity holders of the Company	(21 113)	(21 002)
Non-controlling interests	-	-
Earnings per share attributable to the equity holders of the Company during the period		
Basic earnings per share	(0,70)	(0,62)
Diluted earnings per share	(0,70)	(0,62)

Consolidated balance sheet

Assets

In thousands of US$	December 31, 2012	June 30, 2013
Goodwill	15 152	15 068
Intangible assets	42 052	36 212
Property and equipment	12 810	11 873
Other receivables	16 163	20 557
Non-current assets	**86 177**	**83 711**
Inventories	17 350	23 596
Trade receivables	16 462	19 797
Other receivables	6 669	7 330
Derivative financial instruments	145	225
Cash and cash equivalents	66 321	41 846
Current assets	**106 948**	**92 794**
Total assets	**193 124**	**176 505**

Equity and liabilities

In thousands of US$	December 31, 2012	June 30, 2013
Ordinary shares	17 822	17 822
Share premium	225 570	225 599
Other reserves	12 386	12 341
Retained earnings	(96 568)	(134 053)
Income / (loss) for the period	(37 485)	(21 002)
Equity attributable to equity holders of the company	**121 725**	**100 707**
Non-controlling interests	-	-
Total equity	**121 725**	**100 707**
Intangible liabilities - Non-current portion	10 635	9 279
Borrowings	6 902	6 830
Repayable advances	3 443	3 444
Retirement benefit obligations	1 749	1 691
Non-current liabilities	**22 729**	**21 243**
Intangible liabilities - Current portion	1 583	2 317
Financial instruments	179	152
Trade and other payables	28 335	38 415
Additional payment on ESS acquisition	5 188	-
Borrowings	808	532
Provisions for other liabilities and charges	754	5 594
Unearned revenues	11 822	7 544
Current liabilities	**48 670**	**54 554**
Total liabilities	**71 399**	**75 797**
Total equity and liabilities	**193 124**	**176 505**

Consolidated cash flow statement

In thousands of US$	6-month period ended June 30, 2012	June 30, 2013
Loss for the year	**(21 113)**	**(21 002)**
Adjustments for:		
Depreciation of tangible assets	3 081	2 752
Amortization of intangible assets	959	6 908
Impairment of fixed assets	-	140
Impairment of receivables	(4)	132
Impairment of inventories	169	(32)
(Profit) / loss on disposal of property and equipment	963	(155)
Share-based payment	78	375
Change in retirement benefit obligation	49	(51)
Income tax	76	221
Variation in provisions for risks		4 826
Cash used in operations before changes in working capital	**(14 754)**	**(5 886)**
Changes in working capital		
Inventories	(1 979)	(6 213)
Trade receivables	6 039	1 252
Trade receivables transferred	(6 880)	(4 729)
Other receivables	(268)	(585)
Research tax credit and grants	(2 222)	(4 606)
Trade and other payables	(5 084)	6 683
Non refundable advance on order backlog	-	-
Other payables	-	(1 247)
Cash used in changes in working capital	**(10 394)**	**(9 445)**
Cash used in operations	**(25 148)**	**(15 330)**
Interest received, net	(58)	37
Income tax paid	(74)	(106)
Net cash used in operating activities	**(25 280)**	**(15 399)**
Cash flows from investing activities		
Acquisition of business, net of cash acquired	-	(5 188)
Purchases of property and equipment	(1 298)	(1 852)
Purchases of intangible assets	(2 663)	(382)
Research and development capitalized costs	(357)	(696)
Payments corresponding to intangible liabilities	(621)	(592)
Disposal of fixed assets	-	165
Net cash used in investing activities	**(4 939)**	**(8 545)**
Cash flows from financing activities		
Proceeds from issuance of ordinary shares, net of issuance costs	104 950	28
Direct costs paid related to the IPO	(5 840)	-
Repayable advance	1 909	-
Proceeds from / (Repayment of) borrowings, net of issuance costs	5 852	-
Principal repayment under finance lease	(202)	(253)
Treasury shares	(582)	24
Bank overdraft	-	(276)
Net cash generated by / (used) in financing activities	**106 087**	**(477)**
Net increase / (decrease) in cash and cash equivalents	**75 868**	**(24 421)**
Cash and cash equivalents at beginning of the year	20 940	66 321
Effect of exchange rate fluctuations	(328)	(53)
Cash, cash equivalents at end of the period	**95 493**	**41 846**
of which cash and cash equivalents	65 445	41 846
of which cash invested in short term securities	30 048	-

Appendix 2 - Non-GAAP measures -- Reconciliation of IFRS results with adjusted results

The performance indicators presented in this press release that are not strictly accounting measures are defined below. These indicators are not defined under IFRS, and do not constitute accounting elements used to measure the Group's financial performance. They should be considered in addition to, and not as a substitute for, any other operating and financial performance indicator of a strictly accounting nature, as presented in the Group's Consolidated Financial Statements and the corresponding notes. The Group uses these indicators because it believes they are useful measures of its operating performance and of its operating cash flow generation. These indicators are not necessarily directly comparable to those of other companies, which may have defined or calculated their indicators differently to the Group, even though they use similar terms.

Adjusted gross profit is defined as gross profit before (i) the amortization of intangible assets and masks related to business combinations purchased through a business combination, (ii) any potential goodwill impairment, (iii) share-based payment expense and (iv) non-recurring costs associated with restructuring and acquisitions carried out by the Group.

Adjusted operating income/(loss) is defined as operating income/(loss) before (i) the amortization of intangible assets and masks related to business combinations purchased through a business combination, (ii) any potential goodwill impairment, (iii) share-based payment expense and (iv) non-recurring costs associated with restructuring and acquisitions carried out by the Group.

Adjusted net income/(loss) is defined as net income/(loss) before (i) the amortization of intangible assets and masks related to business combinations and purchased through a business combination, (ii) any potential goodwill impairment, (iii) share-based payment expense, and (iv) non-recurring costs associated with restructuring and acquisitions carried out by the Group, and also takes into account the tax expense adjustment recorded in the income statement and related to restated elements.

The tables below present reconciliations between the income statement figures in this document and the adjusted financial aggregates as defined above, for the interim periods ended June 30, 2012 and 2013:

(in thousands of dollars)	June 30, 2013 IFRS	Business combinations	Share-based payment	Other non-recurring costs	June 30, 2013 adjusted
Revenue	70 765	-	-	-	70 765
Cost of sales	(49 944)	5 976	54	-	(43 915)
Gross profit	20 821	5 976	54	-	26 850
As a % of revenue	*29,4%*				*37,9%*
R&D expenses	(19 263)	1 012	144	-	(18 107)
Selling & marketing expenses	(10 770)	-	124	-	(10 646)
Genaral & administrative expenses	(4 991)	-	54	-	(4 937)
Other (losses)/gains, net	(6 356)	-	-	6 883	527
Operating income / (loss)	**(20 559)**	**6 988**	**376**	**6 883**	**(6 313)**
As a % of revenue	*-29,1%*				*-8,9%*
Finance income, net	(222)	-	-	-	(222)
Income tax expense	(221)	-	-	-	(221)
Net income	**(21 002)**	**6 988**	**376**	**6 883**	**(6 756)**

(in thousands of dollars)	June 30, 2012 IFRS	Business combinations	Share-based payment	Other non-recurring costs	June 30, 2012 adjusted
Revenue	62 200	-	-	-	62 200
Cost of sales	(47 726)	1 077	69	-	(46 581)
Gross profit	**14 473**	**1 077**	**69**	**-**	**15 619**
As a % of revenue	*23,3%*				*25,1%*
R&D expenses	(19 314)	835	182	-	(18 297)
Selling & marketing expenses	(9 046)	-	264	-	(8 782)
Genaral & administrative expenses	(4 729)	-	448	-	(4 281)
Other (losses)/gains, net	(603)	-	-	166	(437)
Operating income / (loss)	**(19 218)**	**1 912**	**963**	**166**	**(16 178)**
As a % of revenue	*-30,9%*				*-26,0%*
Finance income, net	(1 846)	-	-		(1 846)
Income tax expense	(49)	-	-		(49)
Net income	**(21 113)**	**1 912**	**963**	**166**	**(18 073)**

Note: Unallocated expenses correspond mainly to unused capacity not allocated to business segments and in 2013 to restructuring expense