2011 ANNUAL RESULTS:
Strong Sales Growth and Strengthened Capital Structure

- **Consolidated revenue up 94% to $151 million, aided by the take-off of the Near Field Communication ("NFC") market**
- **Adjusted operating loss[1] of $16.1 million**
- **Capital structure strengthened by the successful IPO on 17 February 2012 on NYSE Euronext Paris**

Aix-en-Provence, France, 30 March 2012 – INSIDE Secure (NYSE Euronext FR0010291245 - INSD), one of the world leaders in supplying semiconductors for secure transactions, is today reporting its audited consolidated results for the year ended 31 December 2011.

In thousands of US$	2011	2010
Revenue	151 468	78 140
Gross profit	39 464	27 153
As a % of revenue	*26,1%*	*34,7%*
Adjusted operating income	(16 051)	(6 758)
As a % of revenue	*-10,6%*	*-8,6%*
Adjusted net income	(14 622)	(7 946)
As a % of revenue	*-9,7%*	*-10,2%*

Commenting on these results, Rémy de Tonnac, chief executive officer of INSIDE Secure, declared, "2011 was the take-off year for the NFC market and created substantial benefit for INSIDE Secure. Taking advantage of our position as pioneer of NFC technology, our Group reinforced its position in this fast growing market in 2011, and finished the year with a market share of close to 50% by volume. INSIDE Secure has entered a new phase in its history in early 2012 with its successful IPO on NYSE Euronext Paris. With our strengthened financial resources, we will pursue our product development and marketing efforts by capitalizing on our unique expertise and innovation, resulting in compelling product and solution offers for our customers."

[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.

Key figures for the fourth quarter and full year 2011

Fiscal Year 2011 - Revenue by Business Segment

In thousands of US$	2011 consolidated	2010 consolidated	2010 pro forma	Change % consolidated	Change % pro forma
Mobile NFC	47 961	2 335	10 729	1954%	347%
including chips f or mobile NFC	*46 958*	*1 382*	*1 382*	3299%	*3299%*
including chips SIM cards	*1 003*	*954*	*9 347*	5%	*-89%*
Digital Security	60 261	18 740	60 736	222%	-1%
Secure Payment	43 246	57 064	85 458	-24%	-49%
Total	**151 468**	**78 140**	**156 923**	**94%**	**-3%**
Total excluding chips f or SIM cards	*150 465*	*77 186*	*147 575*	*95%*	*2%*

At $151.5 million, consolidated revenue of INSIDE Secure ("the Group") in 2011 represent growth of 94% over the prior year. On a pro forma basis[2], revenue was down 3% compared to 2010, but up 2% excluding the gradually declining business of chip for SIM cards.[3]

2011 was a year of change, marked by sharp variations in revenue across business segments. The pace of business in mobile NFC accelerated as this technology moved into the industrial stage, thanks notably to a rising volume of deliveries to Research in Motion (RIM), which began deployment of new BlackBerry® models incorporating the Group's NFC products.

Fourth Quarter 2011 - Revenue by Business Segment

In thousands of US$	Q4-2011 consolidated	Q4-2010 consolidated	Q3-2011 consolidated	Change % consolidated	Change % quarterly
Mobile NFC	23 304	1 413	15 352	1549%	52%
including chips f or mobile NFC	*23 304*	*460*	15 219	4969%	53%
including chips SIM cards	*0*	*954*	133	-	-
Digital Security	14 520	15 892	13 260	-9%	10%
Secure Payment	6 830	21 125	7 842	-68%	-13%
Total	**44 654**	**38 430**	**36 454**	**16%**	**22%**
Total excluding chips f or SIM cards	*44 654*	*37 476*	*36 321*	*19%*	*23%*

At $44.7 million, consolidated sales in the fourth quarter were up 16% vs. the same quarter of the prior year, which included the revenue from the SMS business of Atmel Corp. acquired on 30 September 2010. The increase reflects the rising contribution of the mobile NFC division. If sales of chips for SIM cards are excluded, the year-on-year increase for the fourth quarter is 19%. Seasonality was particularly pronounced in 2011. The effect was very high in

[2] On 30 September 2010 the INSIDE Secure acquired the S*ecure Microcontroller Solutions* (SMS) business of Atmel Corp. for $32 million. The pro forma data present revenue as it would have been had SMS been consolidated by the company from 1 January 2010.

[3] Business discontinued by Atmel Corp. before the sale of its SMS division to INSIDE Secure (and independently of that sale); represents residual sales only.

the fourth quarter because of volume deployment by RIM of several new mobile telephone platforms during this period.

Adjusted operating result

In thousands of US$	**2011**	**2010**
Gross profit	39 464	27 153
As a % of revenue	*26,1%*	*34,7%*
Research and development expenses	(34 536)	(15 930)
As a % of revenue	*-22,8%*	*-20,4%*
Selling and marketing expenses	(18 175)	(14 051)
As a % of revenue	*-12,0%*	*-18,0%*
General and administrative expenses	(9 817)	(7 523)
As a % of revenue	*-6,5%*	*-9,6%*
Other gains / (losses), net	(1 398)	(2 261)
Operating income / (loss)	(24 462)	(12 610)
As a % of revenue	*-16,2%*	*-16,1%*
Adjusted operating income	**(16 052)**	**(6 758)**
As a % of revenue	*-10,6%*	*-8,6%*
Financial income, net	1 503	(994)
Income tax expense	(74)	(194)
Adjusted net income	**(14 622)**	**(7 946)**
As a % of revenue	*-9,7%*	*-10,2%*
Income / (loss) for the year	(23 033)	(13 798)

Expressed as a percentage of revenue, gross margin was down in 2011 compared to 2010 mainly due to:

- rising sales of the SecuRead® product, which accounted for most of the segment's business. This product incorporates a secure component supplied by Infineon, and the Group's gross margin on it is therefore lower. To replace the Infineon part, the Group is developing its own secure component and expects to have it on the market in fourth quarter of 2012.
- the impact of not getting any "design wins" in the SMS payment business during the period when Atmel Corp. was seeking a buyer for this business. Current revenue therefore comes from sales of more mature products at lower margins.
- under IFRS standards, gross margin is further reduced by the amortization expense on production masks acquired as part of SMS business bought from Atmel Corp in 2010 and representing 1.9 margin points in 2011.

Selling and marketing expenses as well as general and adminstrative expenses only increased by 30% in 2011, compared with 94% for revenue over the same period, reflecting the economies of scale achieved by integrating Atmel Corp.'s SMS business. In 2011, selling, marketing, general and adminstrative expenses represented 18% of revenue, compared with 28% in 2010.

Research and development ("R&D") expenses increased in 2011 mainly because of the integration of Atmel Corp.'s SMS business and increased resources to step up the pace of R&D, primarily for the mobile NFC segment. As a consequence, the adjusted operating loss widened from $6.8 million in 2010 (8.6% of revenue) to $16.1 million in 2011 (10.6% of revenue).

The adjusted net loss widened from $7.9 million in 2010 to $14.6 million in 2011. Under IFRS standards, the consolidated net result attributable to Group shareholders was a loss of $23.0 million in 2011.

Business Segment Analysis

Year ended December 31, 2011					
In thousands of US$	**Mobile NFC**	**Digital security**	**Secure Payment**	**Common unallocated**	**Consolidated IFRS reporting**
Revenue	47 961	60 261	43 246	-	151 468
Contribution to revenue	*32%*	*40%*	*29%*	-	*100%*
Operating income	(18 251)	8 674	(11 489)	(3 396)	(24 462)
Adjusted operating income	(17 258)	13 153	(9 271)	(2 676)	(16 052)
As a % of revenue	*-36%*	*22%*	*-21%*	-	*-11%*

Year ended December 31, 2010					
In thousands of US$	**Mobile NFC**	**Digital security**	**Secure Payment**	**Common unallocated**	**Consolidated IFRS reporting**
Revenue	2 336	18 740	57 064	-	78 140
Contribution to revenue	*3%*	*24%*	*73%*	-	*100%*
Operating income	(13 735)	274	3 404	(2 553)	(12 610)
Adjusted operating income	(12 602)	1 454	4 832	(442)	(6 758)
As a % of revenue	-	*8%*	*8%*	-	*-9%*

Note: Unallocated expenses correspond to unused capacity not allocated to business segments

Mobile NFC

Sales of NFC chips showed very strong growth compared to 2010 and amounted to $47 million in 2011 ($23.3 million in the fourth quarter alone). Sales were made primarily with RIM and its original design manufacturers, and they correspond to RIM's launching of new mobile phones incorporating the Group's NFC products. In addition, in the second half of 2011, the Group began to post its first revenue from the license agreement with Intel Corp. with respect to the developpment and supply of the Group's NFC solutions to Intel Corp. This revenue comes initially from payments for reaching development milestones.

The increase in the adjusted operating loss is explained primarily by accelerated spending on research and development to keep pace with the rapid growth of this business.

Digital Security

Overall, sales in this segment were roughly stable in 2011 compared to 2010 pro forma. The trends by product lines were more varied. Revenue from identification products declined significantly, but they were offset by sustained growth in products designed for other security applications. Targeted spending on marketing and sales efforts enabled the Group to broaden its "digital security" product offering to serve more attractive markets with higher growth potential (such as anti-counterfeiting, smart metering and machine-to-machine).

The sharp rise in adjusted operating income (to 22% of revenue) is explained by the large contribution from the digital security parts of the SMS business acquired from Atmel Corp. on 30 September 2010.

Secure Payment

As the Group had anticipated, revenue in this segment were down sharply from 2010 pro forma, primarily because of the downturn in the US market for contactless payment solutions. The market was holding off in anticipation of migration towards a new EMV-type standard and deployment of mobile payment solutions via NFC technology. Furthermore, sales of chips for the SMS payment (standard EMV) market were down 19.8% from the year before. This decline is attributable to the absence of “design wins” during the period when Atmel Corp. was seeking a buyer for its SMS business. The effects of this omission were felt starting in the first half of 2011.

As foreseen, the slowdown in the US contactless payment market, coupled with this absence of “design wins”, led to an adjusted operating loss after three profitable years. The Group reallocated a portion of its R&D resources to the NFC segment, while continuing to develop a product platform for this segment. The aim is to be positioned in the US market when EMV smartcard products are deployed in 2013.

Strengthened capital structure

At 31 December 2011, the Group had cash and cash equivalents in the amount of $20.9 million.

Starting 17 February 2012, the Group’s shares are listed on the NYSE Euronext main market in Paris. With its IPO on that date, the Group realized a capital increase of $104.5 million (€79.3 million) including the share premium but before expenses associated with the offering.

Outlook 2012

In 2012, INSIDE Secure will continue to keep up with the needs of its existing customers (including RIM and Intel). In parallel, the Goup will focus on consolidating its position in the Mobile NFC segment by diversifying its customer base. The Group will continue pursuit of “design wins” with first-tier mobile handset manufacturers. The Group will also capitalize upon the launch of promising new products such as "NFC Booster" and its own secure element.

RIM represented the main source of the Group’s sales for the Mobile NFC segment in fiscal year 2011 and will still represent the bulk of the revenue of the Mobile NFC segment in 2012. The objective of reaching the break-even point (at the adjusted operating profit level) in the last months of 2012 remains partly dependent on the launch of the new platform "BlackBerry 10" for the second half of 2012, as confirmed by RIM. It is on the basis of this assumption, among others, and the expectation of further progress on NFC, that the Group confirms the objectives communicated during its IPO.

Conference call

Management will comment on the 2011 annual results during a conference call to be held on 30 March 2012 at 8:30 a.m. CET (Paris). Access to the call will be by dialing one of the following numbers: +33 (0)1 70 77 09 40 (France) or +44-2033679453 (United Kingdom) 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:

- Conference call on the 2011 annual results: 30 March at 8:30 a.m. CET (Paris)
- Publication of revenue for the 1st quarter of 2012: 23 April 2012

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About INSIDE Secure

INSIDE Secure is a leading designer, developer and supplier of semiconductors, embedded software and platforms for secure transactions and digital security. INSIDE Secure mobile NFC, secure payment and digital security products provide security for a wide range of information processing, storage and transmission applications. The Group's customers are found in a wide range of markets including mobile payment, identification documents, access control, transit, electronic device manufacturing, pay television and mobile service operators. For more information, visit www.insidesecure.com.

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" sections of the prospectus registered by the Autorité des marchés financiers on February 6, 2012 under number 12-058. A copy of this prospectus is available on www.insidesecure.com.

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

Note: INSIDE Secure has chosen the US dollar (USD) as the presentation currency for its consolidated financial statements. The dollar is the company's functional currency, and most of its transactions are denominated in USD. It is the main trading currency used by the company and in the semiconductor industry in relations between customers and suppliers.

Consolidated income statement (audited)

In thousands of US$	2010	2011
Revenue	**78 140**	**151 468**
Cost of sales	(50 987)	(112 004)
Gross profit	**27 153**	**39 464**
Research and development expenses	(15 930)	(34 536)
Selling and marketing expenses	(14 051)	(18 175)
General and administrative expenses	(7 523)	(9 817)
Other gains / (losses), net	(2 261)	(1 398)
Operating income / (loss)	**(12 610)**	**(24 462)**
Finance income, net	(994)	1 503
Income / (loss) before income tax	**(13 604)**	**(22 959)**
Income tax expense	(194)	(74)
Income / (loss) for the year	**(13 798)**	**(23 033)**
Attributable to:		
Equity holders of the Company	(13 798)	(23 033)
Non-controlling interests	-	-
Earnings per share attributable to the equity holders of the Company during the year		
Basic earnings per share	(0,98)	(1,06)
Diluted earnings per share	(0,98)	(1,06)

Consolidated balance sheet (audited) – Assets

In thousands of US$	December 31, 2010	December 31, 2011
Goodwill	2 993	3 251
Intangible assets	6 641	6 877
Property and equipment	20 552	16 812
Other receivables	459	7 287
Non-current assets	**30 645**	**34 227**
Inventories	16 989	23 276
Trade receivables	30 742	18 711
Other receivables	9 447	10 474
Derivative financial instruments	1 035	216
Cash and cash equivalents	41 178	20 940
Current assets	**99 391**	**73 618**
Total assets	**130 035**	**107 845**

Consolidated balance sheet (audited) - Liabilities and Equity

In thousands of US$	**December 31, 2010**	**December 31, 2011**
Ordinary shares	11 342	11 369
Share premium	134 873	133 021
Other reserves	10 001	9 772
Retained earnings	(59 737)	(73 535)
Income / (loss) for the year	(13 798)	(23 033)
Equity attributable to equity holders of the Company	**82 681**	**57 594**
Non-controlling interests	-	-
Total equity	**82 681**	**57 594**
Intangible liabilities - Non-current portion	12 579	11 711
Borrowings	215	963
Repayable advances	-	852
Retirement benefit obligations	897	1 183
Non-current liabilities	**13 691**	**14 708**
Intangible liabilities - Current portion	1 833	1 168
Financial instruments	246	1 348
Trade and other payables	30 643	29 977
Borrowings	256	357
Provisions for other liabilities and charges	685	318
Unearned revenues	-	2 372
Current liabilities	**33 663**	**35 542**
Total liabilities	**47 354**	**50 250**
Total equity and liabilities	**130 035**	**107 845**

Consolidated cash flow statement (audited)

In thousands of US$	Year ended December 31, 2010	Year ended December 31, 2011
Cash used in operations before changes in working capital	**(6 845)**	**(7 789)**
Cash used in changes in working capital	**(16 555)**	**(3 083)**
Cash used in operations	**(23 400)**	**(10 872)**
Interests and income tax, nets	(296)	(322)
Net cash used in operating activities	**(23 696)**	**(11 194)**
Acquisition of business, net of cash acquired	(18 667)	-
Purchase of tangible and intangible fixed assets	(1 786)	(5 396)
Capitalized development costs		(1 188)
Payments corresponding to intangible liability	-	(1 409)
Net cash used in investing activities	**(20 453)**	**(7 993)**
Proceeds from issuance of ordinary shares, net of issuance costs	63 986	446
Direct costs paid related to the IPO	-	(2 039)
Repayable advance received	-	852
Repayment of borrowings, net of issuance costs	(173)	-
Principal repayment under finance lease	(119)	(225)
Net cash used in financing activities	**63 694**	**(965)**
Net increase / (decrease) in cash and cash equivalents	**19 544**	**(20 153)**
Cash and cash equivalents at beginning of year	23 392	41 178
Exchange gains / (losses) on cash and cash equivalents	(1 758)	(85)
Cash and cash equivalents at end of year	**41 178**	**20 940**

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

The two performance indicators presented in this press release that are not strictly accounting measures (adjusted operating result, and adjusted income /(loss)) 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 strict 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 than the Group, even though they use similar terms.

Adjusted operating income/(loss) is defined as operating income/(loss) before (i) the amortization of intangible assets and masks related to business combinations, (ii) any potential goodwill impairment, (iii) share-based payment expense and (iv) non-recurring costs associated with business combinations 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, (ii) any potential goodwill impairment, (iii) share-based payment expense, and (iv) non-recurring costs associated with business combinations 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 years 2010 and 2011.

In thousands of US$	December 31, 2011 published	Business combination	Sharebased payment	Other non-recurring costs	December 31, 2011 adjusted
Revenues	151 468				151 468
Cost of sales	(112 004)	2 835	113		(109 056)
Gross profit	39 464	2 835	113	-	42 412
As a % of revenue	*26,1%*				*28,0%*
R&D expenses	(34 537)	1 462	328		(32 746)
Selling & marketing expenses	(18 175)	716	553		(16 907)
Genaral & administrative expenses	(9 817)		1 007		(8 810)
Other (losses)/gains, net	(1 398)	884		514	0
Operating result	**(24 462)**	**5 897**	**2 000**	**514**	**(16 052)**
As a % of revenue	*-16,2%*				*-10,6%*
Finance income, net	1 503				1 503
Income tax expense	(74)				(74)
Income	**(23 033)**	**5 897**	**2 000**	**514**	**(14 622)**
As a % of revenue	-15,2%				-9,7%

In thousands of US$	December 31, 2010 published	Business combination	Sharebased payment	Other non-recurring costs	December 31, 2010 adjusted
Revenues	78 140				78 140
Cost of sales	(50 987)	725	175		(50 087)
Gross profit	27 153	725	175	-	28 053
As a % of revenue	34,7%				35,9%
R&D expenses	(15 930)	405	533		(14 992)
Selling & marketing expenses	(14 051)	918			(13 133)
Genaral & administrative expenses	(7 523)	726	92		(6 705)
Other (losses)/gains, net	(2 261)			2 278	17
Operating result	**(12 610)**	**2 774**	**800**	**2 278**	**(6 758)**
As a % of revenue	-16,1%				-10,6%
Finance income, net	(994)				(994)
Income tax expense	(194)				(194)
Income	**(13 798)**	**2 774**	**800**	**2 278**	**(7 946)**
As a % of revenue	-17,7%				-9,7%