



INSIDE Secure completes the acquisition of Embedded Security Solutions (ESS)

Aix-en-Provence, France, 3 December 2012 – INSIDE Secure (NYSE Euronext INSD.PA) today announced it has completed the acquisition of Embedded Security Solutions (ESS). ESS is a high expertise business which designs and develops encryption-related security hardware intellectual property (IP) and software for a variety of industries, including the mobile and networking markets. At closing, INSIDE Secure paid a transaction consideration of USD 41.6 million net of cash acquired and after an adjustment based on the estimated working capital of the transferred business at closing and completion of certain closing-related transactions. INSIDE Secure may pay an additional cash consideration of up to USD 5.2 million subject to completion of certain transactions before April 1, 2013

As announced on November 19, 2012, when INSIDE Secure entered into an agreement to purchase ESS, this strategic acquisition will enable the company to reinforce its position as a key player in the fast-growing security solutions market. ESS will bring to INSIDE Secure complementary offerings for a complete security architecture, as well as additional solutions for securing both content (Digital Rights Management or “DRM”) and data exchange (Virtual Private Network or “VPN”). By leveraging the strong capabilities of INSIDE Secure’s existing Mobile NFC and Digital Security businesses, the combined offer should also lead to additional sales in high growth markets. The transaction is expected to be accretive to INSIDE Secure’s adjusted¹ operating and net results as of 2013, and to enhance the company’s gross margin.

As a result of this acquisition, Simon Blake-Wilson, vice president of ESS since 2006, has been appointed executive vice president in charge of INSIDE Secure’s Embedded Security Solutions division. Simon Blake-Wilson has a proven track record in digital security solutions. He is a well-known researcher in wireless security and his skills range from cryptographic protocol design to the implementation of security policies and the business and legal ramifications of digital signatures.

Press and investor contacts

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¹ INSIDE Secure uses performance indicators that are not strictly accounting measures (adjusted operating result, and adjusted income /(loss)). 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.

About INSIDE Secure

INSIDE Secure (NYSE Euronext Paris FR0010291245 – INSD.PA) is a leading designer, developer and supplier of semiconductors, embedded software and platforms for secure transactions and digital security. INSIDE mobile NFC, secure payment and digital security products 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 and mobile service operators. For more information, visit www.insidesecond.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" section of the annual financial report of 27 April 2012, available on www.insidesecond.com.