



INSIDE Secure - First quarter 2015 revenue

- Consolidated revenue reaching a low point at 16.3 million dollars in the first quarter
- Further progress in the execution of the Group's repositioning strategy

Aix-en-Provence, France, April 30, 2015 – INSIDE Secure (NYSE Euronext: INSD), a leader in embedded security solutions for mobile and connected devices, today reports consolidated revenue of \$16.3 million for the three months ended March 31, 2015. INSIDE Secure's also announced having made available to the public its annual financial report and management report for 2014 and its registration document.

Consolidated revenue (IFRS) for the first quarter of 2015:

Revenue by segment

(in thousands of US\$)	Q1-2015	Q1-2014	Q4-2014	Q1-2015 vs. Q1-2014	Q1-2015 vs. Q4-2014
Mobile Security	5 014	7 073	12 222	-29%	-59%
Secure Transactions	10 665	16 325	22 730	-35%	-53%
Unallocated	650	0	320	-	-
Total	16 329	23 399	35 272	-30%	-54%

Revenue by type

(in thousands of US\$)	Q1-2015	Q1-2014	Q4-2014	Q1-2015 vs. Q1-2014	Q1-2015 vs. Q4-2014
Revenue from sale of products	11 399	16 818	21 573	-32%	-47%
Revenue license, royalties, development agreements, maintenance and others services	4 930	6 580	13 700	-25%	-64%
Total	16 329	23 399	35 272	-30%	-54%

Commenting on these results, Rémy de Tonnac, Chief Executive Officer of INSIDE Secure, said: *"INSIDE Secure's first quarter 2015 revenue has significantly reduced compared to the fourth quarter of 2014 due to a combination of adverse factors. These included delayed technology licence sales in the mobile security business, which were not offset by patent monetisation during the same period. These admittedly disappointing figures come at a time when the group is finalizing the transformation of its revenue structure, and should therefore remain exceptional.*

In addition to supporting growth in expanding and high margin segments, the transformation of our business model enables us to reduce costs. This is illustrated by the recent announcement of a partnership project to outsource INSIDE Secure's semiconductor operations and supply chain activities to specialist provider, Presto Engineering.

INSIDE Secure has now successfully completed most of the work to reposition its business and operations. It is pursuing its efforts on mobile security, mobile payments and the Internet of Things, which are expected to start paying off in the coming months and drive future growth. Moreover, we welcome the important victory achieved in a German court during the first quarter for the NFC patent licensing program driven by France Brevets. The ruling is a significant milestone as it validates the strength of the patents which have now been through the test of fire."

Business segment analysis

Mobile Security

In the 1st quarter, revenue was affected by weak sales of embedded security solutions, with a significant portion of licence revenue being delayed until the 2nd quarter.

The marketing of software obfuscation technology and encryption-related security software for the mobile payment and mobile banking markets, based on Metaforic's technologies, remains strong and encouraging, allowing the first significant licences to be signed early in the second quarter of 2015.

In the 1st quarter, INSIDE Secure also announced an agreement with Chinese Yulong Coolpad¹, one of the leading manufacturers of mobile devices in the world, for the supply of solutions needed to manage sensitive data of its phones, offering a security level never achieved until now by consumer smartphone manufacturers.

This quarter, INSIDE Secure did not record any new revenue from the NFC patent licensing program managed by France Brevets. The program did however continue to progress well by reaching significant milestones during first quarter including two favourable rulings for France Brevets from the Düsseldorf court in Germany ("Das Landgericht Düsseldorf ") contributing to the recognition of INSIDE Secure's patents and of their commercial potential.

Secure Transactions

After strong Q4 2014 revenue – driven by a one-off order at the end of the year – Q1 2015 revenue decreased year-on-year. Sales of INSIDE Secure's chips and modules in the US market, which is adopting the EMV standard, remained lower than expected, and failed to offset the predicted decline in the established business of selling EMV and identification chips in Europe.

New agreements and design-ins have also been recorded during this quarter. They have not yet contributed significantly to revenue, but are encouraging as regards the Group's future growth, particularly in the Internet of Things, brand protection and anti-counterfeiting solutions.

Outlook

The Group has successfully completed most of the work to reposition its business, and INSIDE Secure is further strengthening its commercial efforts regarding its embedded security solutions, particularly in markets relating to the security of mobile platforms and connected objects.

As already communicated with the 2014 results, INSIDE Secure is fully expecting to win significant further businesses associated with this new strategy. Although visibility regarding sequential quarterly performance remains limited, an upturn in activity is expected in the second half of 2015.

Annual financial report, management report and registration document

INSIDE Secure's annual financial report and management report for 2014 and its registration document filed with the Autorité des Marchés Financiers have been made available to the public and can be consulted at the company's website (<http://www.insidesecure-finance.com/>).

Financial calendar

- Annual General Meeting: June 3, 2015
- Publication of consolidated first-half 2015 results: July 31, 2014 (after the market close)

¹ Coolpad was ranked 7th largest smartphone vendor by IDC in October 2014

Press and investor contacts

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About INSIDE Secure

INSIDE Secure (Euronext Paris FR0010291245 – INSD) provides comprehensive embedded security solutions. World-leading companies rely on INSIDE Secure's mobile security and secure transaction offerings to protect critical assets including connected devices, content, services, identity and transactions. Unmatched security expertise combined with a comprehensive range of IP, semiconductors, software and associated services gives INSIDE Secure customers a single source for advanced solutions and superior investment protection. For more information, visit www.insideseure.com.

Supplementary non-IFRS financial information

The supplementary non-IFRS financial information presented in this press release are 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. Although they are widely used by companies operating in the same industry around the world, 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 registration document of April 30, 2015 (R15-030), available on www.insideseure.com.