



First quarter 2012 revenue of \$34 million

- Mobile NFC sales of \$14.3 million, confirming the increasing contribution of this business segment to INSIDE Secure's revenues
- Design win with Nokia for new Lumia 610 NFC smartphone in Windows Mobile Phone 7 environment

Aix-en-Provence, France, 23 April 2012 – INSIDE Secure (NYSE Euronext FR0010291245 – INSD.PA), a leader in semiconductor solutions for secure transactions and digital identity, today announced consolidated revenue of \$34 million for the first quarter of 2012. Revenue for the first quarter of 2012 was down 12% compared to the first quarter of 2011, or 10% excluding the discontinued business of chips for SIM cards, which represented only residual volumes for INSIDE Secure in 2011.

Revenue by Business Segment

(in thousands of US\$)	Q1-2012	Q1-2011	Q4-2011	year-over-year %	quarter-to-quarter %
Mobile NFC	14 258	2 604	23 304	448%	-39%
<i>including chips for mobile NFC</i>	<i>14 258</i>	<i>1 740</i>	<i>23 304</i>	<i>719%</i>	<i>-39%</i>
<i>including chips for SIM cards</i>	<i>0</i>	<i>864</i>	<i>0</i>	<i>-100%</i>	
Digital security	11 938	17 552	14 520	-32%	-18%
Secure payments	7 828	18 392	6 830	-57%	15%
Total	34 024	38 548	44 654	-12%	-24%
<i>Total excluding chips for SIM cards</i>	<i>34 024</i>	<i>37 684</i>	<i>44 654</i>	<i>-10%</i>	<i>-24%</i>

Mobile NFC

During the first quarter of 2012, sales of NFC chips (excluding SIM cards) saw significant growth relative to 2011, with total revenue of \$14.3 million, generated mainly with Research in Motion (RIM) and its original design manufacturers. This evolution reflects the increasing contribution of the mobile NFC division to INSIDE Secure's revenue. Sales for the first quarter were down on a quarter-to-quarter basis, having been particularly boosted in the fourth quarter of 2011 by the international launch of a number of new models of smartphones by RIM during the second half of 2011.

Revenue for the first quarter of 2012 also includes revenue from the NFC technology license granted to Intel Corp. recognised according to percentage of completion during this initial phase of the partnership agreement.

Digital Security

At \$11.9 million, revenue for the digital security business segment was lower during the first quarter of 2012 relative to the same period in 2011. The trends by product line were more varied. Revenue from identification products declined significantly, partly offset by growth in conditional access products (pay TV). INSIDE Secure is pursuing its sales and marketing efforts targeted toward markets offering growth potential, such as anti-counterfeiting, smart metering and machine-to-machine solutions.

Secure Payment

At \$7.8 million, revenue for this business segment saw a rebound during the first quarter of 2012 relative to the fourth quarter of 2011 but remained low compared to 2011. This is mainly due to the downturn in the US contactless payment market, in anticipation of the future migration to a new EMV-type standard.

Recent Developments

On 16 April 2012, INSIDE Secure announced that its NFC solution has been successfully integrated into the new Nokia Lumia 610 NFC smartphone, launched in partnership with Orange across all of its markets in Europe.

The Lumia 610 NFC is expected to be available early in the third quarter of 2012. It includes the INSIDE Secure MicroRead® NFC controller and Open NFC™ protocol stack software, which on this occasion runs on the Microsoft Windows Phone 7 mobile operating system. The Lumia 610 NFC smartphone is the first Windows Phone device that INSIDE Secure has supported with its MicroRead and Open NFC products. This design win with Nokia marks a new step in the strategy led by INSIDE Secure to diversify its customer base in the mobile NFC segment.

Financial Calendar

- Publication of consolidated results for the first half of 2012: 3 August 2012 (before market opening)
- Publication of revenue for the third quarter of 2012: 25 October 2012 (before market opening)

Contacts

**INSIDE Secure
corporate communications**
Geraldine Sauniere
Marcom Director
+33 (0) 4 42 39 33 01
gsauniere@insidefr.com

**Brunswick
financial communications**
Jérôme Biscay, Alexandra Van
Weddingen
+33 (0) 1 53 96 83 83
INSIDE@brunswickgroup.com

**INSIDE Secure
investor relations**
Richard Vacher Detourniere
Chief Financial Officer
contactinvestisseurs@insidsecure.com

About INSIDE Secure

INSIDE Secure (NYSE Euronext: 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.insidsecure.com.