



Excellent 2009 operating result: €6.1m (+72%), i.e., 23.9% of the turnover (€25.5m)

Net income: €15.4m

Confirmation of 2010 annual objective for operating income to exceed 14%

Suresnes, 9 March 2010: XIRING, a security solutions provider for electronic transactions, announces an operating result for the 2009 financial year of 6.1 million euros, i.e., 23.9% of the turnover, an increase of 72%, and net income of 15.4 million euros.

Audited accounts (In millions of euros)	31/12/2009	31/12/2008	Variation %
Turnover	25.5	28.5	-10.3%
Operating result	6.1	3.5	+72%
% turnover	23.9%	12.4%	-
Current income before taxes	6.1	3.0	+105%
Exceptional income	15.1	(0.1)	-
Corporate income tax	5.8	-	-
Net income	15.4	2.9	-
% turnover	60%	10.2%	-

Georges Liberman, Chairman and CEO made the following statement: “In 2009, XIRING met its promised targets regarding turnover and achieved a record operating profitability thanks to a particularly dynamic Healthcare activity in the fourth quarter. After the sale of the Banking activity at the end of 2009, XIRING posted a net income of 15.4 million euros. We are well on our way to becoming the leader in healthcare system solutions in Europe thanks to the expertise we have acquired in the French market. We are investing in electronic identification markets with the goal of becoming a major player in Europe. In particular we are focusing on security solutions for administrations that have started their migration to electronic identification systems. XIRING is thus pursuing its profitable growth on markets with strong potential.”

A sharp rise in profitability

XIRING has achieved an operating margin that exceeds the revised target announced last September. The operating income for the 2009 financial year was 6.1 million euros, i.e., 23.9% of the turnover, an increase of 72%. This performance is the result of a well-controlled cost structure, as well as an inversion of the product Mix from banking to healthcare. During the fourth quarter, the accelerated migration of the SESAM-Vitale terminals has made this trend even more noticeable, as have XIRING's strong and continued sales efforts to take advantage of this opportunity. Turnover from healthcare thus doubled in the fourth quarter, increasing from 3.1 million euros in 2008 to 6.0 million euros in 2009.

Reinforcement of the financial structure

XIRING's financial structure as of 31 December 2009 is marked by the absence of financial debt, by 32.9 million euros in equity capital and net cash of 30.4 million euros. This large amount of net cash includes the 20 million euros obtained after the sale of the Banking activity.

Dividend

The amount of available cash as of 31 December 2009 is very significant. As a result, the Board of Directors shall request approval from the General Shareholders' Meeting, convened on 16 April 2010, for the distribution of an exceptional dividend of 3.20 euros per share. This dividend will represent the distribution of the net available income from the sale, i.e., 12.4 million euros.

Outlook

The particularly robust Healthcare activity in the fourth quarter of 2009 affects the first quarter of 2010. Indeed, the outlook for the first quarter of 2010 allows us to specify our target operating results for the first half of 2010: lower than 10% of the turnover. This level of results for the period is in line with the company roadmap.

XIRING confirms its annual objectives announced on 12 January, with a turnover of 20 million euros (+14% on a like-for-like basis) and an operating result exceeding 14%.

Next rendezvous: 13 April 2010: Publication of first quarter 2010 turnover figures

About XIRING

XIRING, a security solutions provider for electronic transactions, develops security software embedded in smart card readers and terminals for strong authentication and electronic signatures. XIRING is the market leader in SESAM-Vitale healthcare terminals for generating and signing electronic medical claim forms or for updating healthcare cards in France and also works alongside authorities in the field of healthcare system dematerialization in international markets. In the area of electronic identity (e-ID), XIRING proposes a broad range of solutions for public authority staff and citizens to meet the latest market challenges with secure electronic identity documents systems: national electronic identity cards, electronic passports, public transport cards, professional cards. XIRING is listed on the Alternext compartment of the NYSE-Euronext Paris stock exchange.

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