

Marne-la-Vallée, 15 March 2011

2010: A YEAR OF CONSOLIDATION
2011: STRONG REVENUE GROWTH
OPERATING MARGIN BACK TO HIGH-LEVEL



2010 an important milestone in Hologram Industries' development, marked by the completion of several major strategic acquisitions.

Consolidated data (€ millions)	H1-10	H2-10	2010	2009	Change
Consolidated sales revenue	15.4	16.5	31.9	28.3	+13%
Current operating income (EBIT)	1.6	2.9	4.4	5.7	(€1.3m)
<i>EBIT margin</i>	<i>10.1%</i>	<i>17.2%</i>	<i>13.8%</i>	<i>20.0%</i>	
Net income attributable to the Group	1.0	1.7	2.7	5.5	(€2.8m)
<i>Net margin</i>	<i>6.4%</i>	<i>10.3%</i>	<i>8.5%</i>	<i>19.3%</i>	

- **Strategic acquisitions – positions reinforced**

Hologram Industries' revenue was up 13% over 2009, boosted primarily by acquisitions in the United States of SecureMark Decal and in the Netherlands of Keesing Reference Systems. These latest additions following the acquisition of Advestigo in 2009, largely contributed to expanding the Group's geographical coverage and strengthening its technology offerings of anti-counterfeiting solutions. The 2010 year-end acquisition of LSA will further strengthen positions in North America and applications for brand name products protection.

Despite a temporary decline in like-for-like sales (-7%) mainly in response to the drawdown of inventories for travel documents in selected countries, the Group benefited from a good inflow of new business at year-end. These new contracts (sales of €3 million in 2010) will generate full-year contributions to Group revenue in 2011.

- **Margins temporarily impacted – Positive effects of diversification starting in 2011**

For the full year, the consolidated gross margin as a percentage of sales was 84.3% compared with 85.5% in 2009.

Current operating income (EBIT) amounted to €4.4 million (-€1.2 million from 2009), impacted by:

- A decline in like-for-like sales;
- Diversification-related costs;
- Industrialisation of new products.

With 35 patent families, the Group has pursued a proactive strategy of innovation. R&D expenditures fully expensed in the period amounted to €3.6 million or 11% of sales.

Net income amounted to €2.7 million compared with €5.5 million in 2009 that included non-recurring book income of €1 million. Net earnings per share totalled €0.53 (compared with €1.08 in 2009).

At 31 December 2010, shareholders' equity amounted to €22.8 million with net cash (net of borrowings) of €2.5 million after financing the LSA acquisition in late December 2010.

- **Outlook: acceleration of growth - return to high profit margins**

For 2011 Hologram. Industries anticipates strong sales growth with an operating margin in line with targets based on:

- The confirmation of a return to historical volumes for travel documents;
- Continuing development of acquired companies, the integration of LSA and grouping the US sites in Bridgeport (CT);
- Growing contributions from partnerships with integrators;
- Launch of marketing of products originating from technological diversification.

Despite the deconsolidation of the Congolese subsidiary HIDS (sales of \$1 million in 2010, 60 employees) sold in February 2011, the Group expects revenue growth for the first quarter of more than 30%.

Reflecting the momentum of improving profitability in the second half, the Group expects the operating margin to return to a high level in 2011.

- **Dividend**

In light of the level of profitability for the fiscal year, at the next Annual General Meeting of the Shareholders the Company will propose the payment of a dividend of €0.20 per share representing a payout ratio of 38%.

Upcoming events: Q1-2011 revenue

Tuesday, 12 April 2011 (after the close of trading)

Hologram. Industries is a provider of high security anti-counterfeiting solutions for:

- Identity documents
- Vehicle documents
- Brand products
- Fiduciary documents;
- Identifying and searching for illicit digital content

In 2010 the Group had sales of €32 million. Hologram. Industries' expertise is based on two major technology areas: computing and optics.

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