



**XIRING: Annual operating result exceeds target,
amounting to 20.7% of turnover in 2010
Proposed dividend per share of €1.50**

Suresnes, France, March 15, 2011: XIRING, a security solutions provider for electronic transactions, announces for fiscal year 2010 an operating result of 4.1 million euros and a net result of 2.6 million euros. XIRING exceeds its profitability guideline with 20.7% achieved vs. 19% targeted.

NB: the 2010 and 2009 fiscal years cannot be compared given exceptional operations due to changes in structure (sale of Banking Authentication activity at the end of 2009 and purchase of Telfix in 2010)

Audited accounts (in million euros)	12/31/2010	12/31/2009
Turnover	20.0	25.5
of which products/solutions turnover	11.2	20.2
of which services turnover	8.0	5.3
EBITDA	6.8	9.0
Operating result	4.1	6.1
% of turnover	20.7%	23.9%
Current income before taxes	4.3	6.1
Extraordinary result	(0.8)	15.1
Income tax	(0.9)	(5.8)
Net result	2.6	15.4

Georges Liberman, Chairman and CEO, stated: *“In 2010, XIRING pursued its development on the e-Health market and intensified its R&D, marketing and sales efforts towards the e-ID market. We have indeed expanded our product offers with the launch of the new generation of VITAL’ACT for nurses and a complete e-ID line. In addition, thanks to the purchase of Telfix and the introduction of our new PAYPHARMA and PRIUM-Service+ services for pharmacies, we have significantly increased the importance of services in our activity. They now represent 44% of our turnover compared with 18% two years ago”.*

Operating result exceeds guideline at €4.1m

For the fiscal year 2010, XIRING achieved a turnover of €20m with the significant and growing importance of services activities, which now represent 44% of the global turnover. This evolution towards a service-provider model allows the company to increase recurring revenues and improve visibility.

The operating result amounted to €4.1m, representing 20.7% of the turnover, exceeding the targeted 19%.

The company achieved a sustained effort in R&D, an expense item that amounted to 20.6% of the turnover for fiscal year 2010.

A very solid financial position

(in million euros)

Assets as of 12/31/2010	
Intangible assets	5.4
Tangible assets	1.2
Financial assets	0.4
Inventories	4
Receivables	11.2
Cash	13.8
Other current assets	0.2
Liabilities as of 12/31/2010	
Shareholder's equity	23.8
Provisions	2.8
Financial liabilities	0
Current liabilities	8.8
Other current liabilities	0.8
TOTAL BALANCE SHEET as of 12/31/2010	
	36.2

XIRING's balance sheet at December 31, 2010 was very healthy, with no financial debt, and with €23.8m in equity and a net cash position of €13.8m.

Proposed dividend per share of €1.50

The Board will submit for approval by the shareholders the proposed distribution of a dividend per share of €1.50, corresponding to a distribution of 60% of the net result, i.e., €0.40 per share plus an exceptional amount of €1.10 per share.

This distribution is in line with a dividend policy the company intends to continue in the future.

Outlook

Recent announcements of e-ID programs (national e-ID card, driver's license, etc.) and the restarting of the German e-Health program confirm the emergence of these new markets. XIRING's teams have already won the first contracts that illustrate the relevance of its solutions: the contract with French *Gendarmerie Nationale* signed at the end of 2009 and, more recently, the reference contract with the French UGAP (Government Purchases Agency) for the equipping of all French administrative offices, as well as the ordering of 7,500 e-Health terminals for the German market.

These results reinforce the company's confidence in its future growth.

Next press release

April 19, 2011: Publication of turnover for 1st quarter of 2011

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. For further information: www.xiring.com

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