DOLPHIN INTEGRATION MID-YEAR FINANCIAL STATEMENTS: TOWARD A PROMISING YEAR!

Grenoble, July 19, 2011.

These intermediate financial statements have been given a limited review by their statutory auditors and they are available for download from www.dolphin.fr, upon approval by the board of directors.

In k€	Semester closed on March 31		Period ended on Sept. 30
	2011	**2010**	**2010**
Consolidated sales turnover......................	5,845	5,247	10,60
Operating profit..	(946)	(908)	(1,417)
Financial result..	(11)	26	(122)
Consolidated current profit.......................	(957)	(882)	(1,539)
Exceptional result.......................................	(11)	36	(65)
Corporate taxes including Research Tax Credit...	1,506	905	1,500
Net profit (group's part)	538	59	(104)
Net Base result per share (in €).................	0.42	0.05	(0.08)

The operating profit displays a loss of -946 k€, to be compared with the amount of -908 k€ on the first semester of the fiscal year 2010 which had been less impacted by provisions. Nonetheless, the net profit reaches 538 k€ versus a net profit of 59 k€ recorded over the same period of last year.

It is noticeable that the growth of 11% of the sales turnover, which had been addressed in a previous press announcement, has been performed with a constant average employment, and that the operating loss of the company is related to a rigorous accounting for value losses on some former developments. The conditions for a return to profitability are gathered, and get confirmed at the end of a third quarter, where the order entry has been replenished by bookings. In particular, the company has signed an important contract with TSMC, first worldwide foundry with an uninterrupted growth rate, for libraries (memories and standard cells).

The level of net profits, as for it, can be appreciated, by taking into account a change of modalities concerning the Research Tax Credit (RTC), consisting in recording the whole of the RTC amount acquired during the calendar year 2010, as well as the RTC estimated for the first quarter of 2011, i.e. a computation over 15 months.

Sustained by positive perspectives of sales turnover, the forecast cash on hand are equally healthy, following in particular the renewal of a mid-term loan realized in November 2010 and with the prospect of a lease buy-back and resell over the headquarters building during the last quarter of this fiscal year.

M€	F-11	F-10	F-09
Net Cash Flow at mid-year	(0.18)	0.87	1.13
Yearly Net Cash Flow		1.14	0.19

Perspectives

The sales turnover over the third quarter thus confirms the tendency on March 31 with an actual growth rate of 16 % cumulated on June 30, 2011, which allows the company to be confident on their two-digit growth for the present fiscal year. Difficult years making way for encouraging perspectives, these shall raise new challenges which the corporate management must address with cleverness. The company thus focuses on exploiting the unique worth of their know-how, and negotiate promising contracts in Europe, as well as in Asia where they exclude no daring partnership at export.

For the board of directors,

About Dolphin Integration

The company occupies a key position with sustainable growth in the strategic industry of design for Microelectronics in the midst of fast deverticalization.

DOLPHIN Integration SA with social Capital of 1,295,120 € - www.dolphin.fr
ISIN: FR0004022754/ ALDOL – Bloomberg: ALDOL FP – Reuters: ALDOL.PA - ICB 9576. Semiconductors.

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