

Marne-la-Vallée, 26 July 2011

2011 HALF-YEAR RESULTS: REVENUE €20.3m (+32%)

CURRENT OPERATING MARGIN: 18 %



<i>Consolidated data (€ millions)</i>	H1-2011	H1-2010	Change	2010
Consolidated sales	20.3	15.4	+32%	31.9
Current operating income (EBIT)	3.6	1.6	+133%	4.4
<i>EBIT margin</i>	17.9%	10.1%		13.8%
Net income attributable to the Group	2.0	1.0	x2	2.7
<i>Net margin</i>	9.9%	6.4%		8.5%

- First half: revenue up 32%**

<i>€ millions</i>	2011	2010	Change
First quarter	9.0	6.5	+40%
Second quarter	11.3	8.9	+26%
First half	20.3	15.4	+32%

Following a 40% increase in the first quarter taking into account the favourable comparison base, the Group's growth momentum continued in the second quarter to reach **record sales volume of €11.3 million**.

In the first six months, **sales totalled €20.3 million**, up 32% from the same period in fiscal 2010.

This performance reflected **strong organic growth of more than 20%** for the period plus the integration of Label Systems Authentication (LSA) starting on 1 January 2011.

Sales volume for **new business represented €2.5 million**, up from €1.2 million from last year's same period.

<i>€ millions</i>	H1-11		H1-10		2010	
Identity documents	9.9	49%	7.2	46%	14.3	45%
Vehicle identification	4.6	23%	4.5	29%	9.1	29%
Brand products	3.6	18%	1.8	12%	3.9	12%
Fiduciary documents	1.9	9%	1.3	8%	3.2	10%
Other	0.4	2%	0.6	4%	1.5	5%
Total	20.3	100%	15.4	100%	31.9	100%

Sales rebounded in all sectors. The performance of identity documents (+38%) benefited from the return to normal volumes and the conversion into revenue of projects concluded in 2010. The integration of LSA operations in early 2011 significantly strengthened Group positions for brand protection resulting in a twofold increase in volume. Finally, the first commercial successes at the end of 2010 for banknotes contributed to growth of 44% in this segment as well.

<i>€ millions</i>	H1-11		H1-10		2010	
Western Europe	6.8	33%	6.0	39%	13.1	41%
Eastern Europe	3.7	18%	2.8	18%	6.2	19%
Rest of the world	9.8	49%	6.6	43%	11.0	40%
<i>Of which: Asia Pacific</i>	6.0	30%	2.1	14%	4.0	13%
<i>Of which: The Americas</i>	2.8	14%	3.3	21%	6.7	21%
<i>Of which: Africa - Middle East</i>	1.1	5%	1.2	8%	2.0	6%
Total	20.3	100%	15.4	100%	31.9	100%

The strongest gains were registered in Asia (+€3.8 million) and driven by two main factors: growth in volume for identity documents and the integration of LSA with the major portion of sales in this region for US customers.

The decline in the Americas reflected a lag in sales of US\$1 million moved forward from first half to the second half of 2011.

- **Very positive results ¹**

As expected, the first half was marked by a return to very positive operating performance in line with Group targets.

Accordingly, current operating income (EBIT) amounted to €3.6 million for a margin of 17.9% (compared with 13.8% for the 2010 full year). These results reflect the relevance of the strategic choices the Group has made in recent years in pursuing an ambitious strategy of innovation and technological diversification.

Net income attributable to the Group amounted to €2 million, a twofold increase on the 2010 first half. This represented a net margin of 10% or earnings per share of €0.39.

At 30 June 2011, the Group's financial structure remained solid with positive net cash of €2.2 million for shareholders' equity of €24.5 million.

- **Outlook**

The quality, diversity and technological advances of its product portfolio in a market for anti-counterfeiting solutions that remains very buoyant, supports expectations of high growth for the years ahead. Over the shorter term, the level of orders and growing contributions from recently integrated businesses should result in even stronger sales in the 2011 second half with a corresponding improvement in the operating margin.

¹ Audited accounts approved by the Board of Directors' meeting of 25 July 2011

Upcoming events: 2011 third-quarter sales
Tuesday, 11 October 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 in 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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