

Marne-la-Vallée, 11 October 2011

SALES AT 30 SEPTEMBER 2011: €30.2M
STRONG CONTINUING GROWTH (+29%)



<i>€ millions</i>	2011	2010	<i>Change</i>	2009
1 st quarter	9.0	6.5	+40%	6.2
2 nd quarter	11.3	8.9	+26%	7.4
1 st half	20.3	15.4	+32%	13.6
3rd quarter	9.9	8.1	+ 23%	7.3
Total nine months	30.2	23.5	+29%	20.9

The Group had revenue in the 2011 third quarter of €9.9 million, up nearly 23% year-on-year. For the first nine months year-to-date, revenue was up 29% "over the same period last year.

This performance reflects **strong organic growth of 21%** and LSA's integration as of 1 January 2011.

Sales volume from **new business represented €4.1 million**, rising from €1.8 million in the first nine months of 2010 on sustained commercial momentum.

- **Revenue by application**

<i>€ millions</i>	9 month 2011		9 month 2010		2010	
Identity documents	14.2	47%	11.1	47%	14.3	45%
Vehicle identification	7.2	24%	6.4	27%	9.1	29%
Brand products	5.4	18%	3.1	13%	3.9	12%
Fiduciary documents	2.9	9%	1.9	8%	3.2	10%
Other	0.5	2%	1.0	4%	1.5	5%
Total	30.2	100%	23.5	100%	31.9	100%

Sales volumes rebounded for all applications. Identity documents (+28%) benefited in large part from the return to normal volumes for travel documents and the conversion into revenue of projects awarded in 2010.

Group positions in brand protection were strengthened by the integration of LSA operations in early 2011 (+73%). **Commercial successes at the end of 2010 for banknotes** contributed to growth in this segment of 53%.

Only the segment "Other" registered a decline following the deconsolidation as of 1 February 2011 of the public service delegation held by the subsidiary HIDS in the Democratic Republic of Congo.

- **Revenue by geographical market**

The Group has continued its international expansion with nearly half of total revenue now coming from outside of Europe (46%).

Highlighting this trend, activity in Asia has more than doubled on sales of €8 million. This figure includes €2.2 million from orders on behalf of US customers. After adjusting for this item, the US would account for 21% of total sales revenue.

Western and Eastern Europe grew respectively 17% and 33% over the period.

<i>€ millions</i>	9 month 2011		9 month 2010		2010	
Western Europe	10.5	35%	9.1	38%	13.1	41%
Eastern Europe	5.9	19%	4.4	19%	6.2	19%
Rest of the world	13.8	46%	10.0	43%	11.0	40%
<i>Of which: The Americas</i>	4.2	14%	4.8	21%	6.7	21%
<i>Of which: Asia Pacific</i>	8.0	27%	3.6	15%	4.0	13%
<i>Of which: Africa Middle East</i>	1.5	5%	1.7	7%	2.0	6%
Total	30.2	100%	23.5	100%	31.9	100%

At the end of September, the Group's financial structure remained very solid with positive net cash of €2.5 million, ensuring it the means to pursue its ambitions.

- **Prize for best banknote security feature**

Only a few months after the launch of new 500 and 1,000 peso banknotes in the Philippines, on 5 October in Singapore the Group was awarded the **Excellence in Currency Award for the "Best New Currency Feature"** by the International Association of Currency Affairs (IACA) for the world's first application of a third-generation DID® holographic patch. This prestigious award establishes the status of DID® as a new security benchmark for the fiduciary industry.

This distinction follows the 2011 Innovation Award received by the Group in September at the Entrepreneur of the Year award event for the Ile de France region.

- **Very positive outlook**

Given the quality of the current order book, record sales are expected for the fourth quarter. On that basis, the growth rate for the full year should at the least remain in line with the performance of the first nine months, accompanied by a corresponding improvement in the operating margin.

With recurring business accounting for the major share of revenue, the ramping up of new projects awarded since the beginning of the year and the quality of the commercial pipeline, notably for the "Visual Security" activity, another year of growth is already expected in 2012.

The Group thus expects to come very close to meeting the objective set at the end of 2010¹ of reaching the symbolic "medium-term" revenue milestone of €50 million with a target operating margin of 20%.

With a steady growth trend, the market for identity and fiduciary document security has become very receptive to technology and innovation. These developments render the market increasingly in sync with offerings by Hologram. Industries. This trend, in conjunction with strong recurring revenue, our quality policy, the release of new innovative products and an efficient marketing and commercial strategy should enable the Group to maintain a high growth over the longer term.

Upcoming events: 2011 revenue

Tuesday, 17 January 2012

(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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¹ Analyst meeting of 12 October 2010