

Regulated information

Embargo until Thursday 24 March 2011 – 5:40 pm

FY2010 results
Sales up 16%
Net profit up 18%
Confidence in the perspectives for 2011 and 2012
Dividend proposal up 21%

Louvain-la-Neuve, 24 March, 2011

I.R.I.S. publishes its annual results for FY2010.

Etienne Van de Kerckhove, CEO: *“We have achieved a strong performance during the second half year of 2010. For the whole year, this leads to an increase of our sales by 16.1% to EUR 119.5 million; the gross margin is € 59.5 million vs. € 59.3 million in 2009. The EBIT amounts to € 5.3 million (up 4.5%). The cash flow from operations (EBITDA) amounts € 7.2 million (vs. € 7.1 million in 2009). After deducting depreciation (€ 1.9 million), net financial expense (€ 0.2 million) and taxes (€ 1 million), the net profit is € 4.1 million, up 18.4% vs. prior year. These numbers are slightly better than what was pre-announced at the IRISLink convention¹ on 8 February. During this convention – where we welcomed more than 900 customers, business partners and prospects from 40 different countries – we presented many technologies and solutions that bring a lot of business value to our customers.”*

Pierre De Muelenaere, President & CEO *“During 2010, we have signed many new contracts with distributors, OEM licensing partners, value added resellers (VAR), business process outsourcers (BPO) and a large number of organizations in all business sectors. I.R.I.S. and its partners have installed more than 300 solutions for large corporate customers: invoice processing, digital mailroom, enterprise content management (ECM), and a significant contribution in ICT infrastructure, managed IT services and software as a service (SaaS). Our partnership with Canon continues to develop positively with an important number of SMB solutions deployed throughout Europe; we expect this partnership to contribute significantly to I.R.I.S.’s expansion in the coming years. I.R.I.S. maintains significant investment strategies and will continue to launch new technologies, products and solutions. We continue to look for additional improvement in our market reach (EMEA, America and Asia) through strong partnerships.”*

Denis Hermesse, CFO: *“The strong sales in the second half year also generated an increase in our order backlog (+14%) at the end of the year. Although this backlog represents less than 30% of the full year target, we believe that it indicates an upward trend for I.R.I.S. in 2011-2012. I.R.I.S. maintains a robust financial position with shareholders’ equity of € 60.8 million (€ 33.01 per share) and net cash of € 9.3 million (after deducting short-term debt).”*

Pierre De Muelenaere: *“Based on the FY2010 earnings and the outlook for 2011, the Board of Directors will propose a gross dividend of €0.57 per share (up 21% vs. 2009) for approval by the Annual General Meeting to be held on 17 May 2011.”*

¹ More information is available on www.iriscorporate.com/IRISLink2011

Auditor's report

The company auditors confirm that they have completed the key elements of their audit of the consolidated accounts and that this audit has not yielded any material corrections that are required to be made to the financial information included in this press release.

IFRS accounting standards

All the figures have been established in accordance with IFRS. These figures are a summary of the detailed financial results as presented in the annual report to be released at the end of April 2011.

Financial calendar and financial information

Annual General Meeting: 17 May 2011 at 9 a.m.

Annual report: last week of April 2011

Publication of the half-year results: 25 August, 2011

About I.R.I.S. - www.iriscorporate.com

The mission of I.R.I.S. to increase the productivity and know-how of its clients by helping them better manage their documents, data and information.

I.R.I.S. Products & Technologies develop technologies and products within the field of Intelligent Document Recognition and commercialize the product portfolio worldwide through strong partnerships.

I.R.I.S. Professional Solutions offer companies and governments the chance of finding in one single company innovating know-how and cutting-edge technology for the effective management of their documents, data flows and information infrastructure.

I.R.I.S. employs more than 500 people, spread over branches in Louvain-la-Neuve, Vilvoorde and Antwerp (Belgium), Orly (France), Windhof (Luxembourg), Amstelveen and Maastricht (Netherlands), Aachen (Germany), Delray Beach (Florida, United States), Hong Kong (China), Oslo (Norway) and Copenhagen (Denmark).

For more information, please visit www.iriscorporate.com

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Forward Looking Statements

This press release contains forward-looking statements with respect to the business, financial condition, and results of operations of I.R.I.S. and its affiliates. These statements are based on the current expectations or beliefs of I.R.I.S.'s management and are subject to a number of risks and uncertainties that could cause actual results or performance of the Company to differ materially from those contemplated in such forward looking statements. These risks and uncertainties relate to changes in technology and market requirements, the company's concentration on one industry, decline in demand for the company's products and solutions, inability to timely develop and introduce new technologies, products and applications, and loss of market share and pressure on pricing resulting from competition which could cause the actual results or performance of the company to differ materially from those contemplated in such forward-looking statements. I.R.I.S. undertakes no obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

IFRS CONSOLIDATED KEY FIGURES (in EUR)

INCOME STATEMENT	31/12/2010	31/12/2009	31/12/2008	31/12/2007	31/12/2006
Income from ordinary activities	119.488.557	102.893.924	109.325.772	95.062.297	81.756.119
WIP and Other operating income	3.155.780	2.447.212	2.132.604	809.990	921.936
Operating income	122.644.337	105.341.136	111.458.376	95.872.287	82.678.055
Gross margin	59.519.669	59.344.006	58.383.519	47.259.680	39.517.962
Cash flow from operations (EBITDA)	7.239.224	7.137.490	9.816.207	9.031.017	6.735.246
Income from operations (EBIT)	5.302.458	5.067.421	8.323.009	8.131.513	5.858.537
Net financial income	-188.313	-743.155	47.721	148.594	148.915
Profit before tax	5.114.145	4.324.266	8.370.730	8.280.107	6.007.452
Taxes	-1.035.115	-879.861	-2.182.770	-2.546.846	-1.980.617
Profit for the period	4.079.030	3.444.405	6.187.960	5.733.261	4.026.835
Group share in the Result	4.079.030	3.444.405	6.187.960	5.733.261	4.026.835
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CONSOLIDATED BALANCE SHEET	31/12/2010	31/12/2009	31/12/2008	31/12/2007	31/12/2006
Share capital	38.774.902	38.406.052	38.307.692	38.089.702	28.008.924
Shareholders' equity	60.771.415	56.234.719	53.636.757	49.226.443	33.048.960
Cash and cash equivalent	11.013.064	16.238.777	14.362.874	19.665.688	7.604.457
Net cash position*	9.342.269	14.559.153	14.109.066	19.227.205	7.296.399
Non-current borrowings	4.281.051	5.908.588	1.473.334	3.416.014	1.551.228
Balance sheet total	127.943.435	107.903.348	96.029.908	99.948.026	77.726.989
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Basic earnings per share	31/12/2010	31/12/2009	31/12/2008	31/12/2007	31/12/2006
Weighted average number of outstanding shares during the period	1.841.064	1.803.661	1.803.676	1.672.228	1.548.344
Cash flow from operations (EBITDA)/share	3,93	3,96	5,44	5,40	4,35
Income from operations (EBIT)/share	2,88	2,81	4,61	4,86	3,78
Profit for the period/share	2,22	1,91	3,43	3,43	2,60
Capital/share	21,06	21,29	21,24	22,78	18,09
Shareholders' equity/share	33,01	31,18	29,74	29,44	21,34
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Diluted earnings per share	31/12/2010	31/12/2009	31/12/2008	31/12/2007	31/12/2006
Weighted average number of outstanding shares during the period	1.841.064	1.803.661	1.803.676	1.672.228	1.548.344
Weighted average number of outstanding dilutive warrants during the year	6.585	46.523	53.844	58.178	78.888
Number of shares after dilution	1.847.648	1.850.184	1.857.520	1.730.407	1.627.232
Cash flow from operations (EBITDA)/share	3,92	3,86	5,28	5,22	4,14
Income from operations (EBIT)/share	2,87	2,74	4,48	4,70	3,60
Profit for the period/share	2,21	1,86	3,33	3,31	2,47

* Net cash position = cash and cash equivalents less short-term borrowings

Consolidated income statement (€)**31/12/2010 31/12/2009 31/12/2008 31/12/2007**

	31/12/2010	31/12/2009	31/12/2008	31/12/2007
Operating revenues	122.644.337	105.341.136	111.458.376	95.872.287
Revenue from ordinary operating activities	119.488.557	102.893.924	109.325.772	95.062.297
Other operating income	3.155.780	2.447.212	2.132.604	809.990
Operating charges	(117.341.879)	(100.273.715)	(103.135.367)	(87.740.774)
Goods for resale, raw materials and consumables	(59.968.888)	(43.549.918)	(50.942.253)	(47.802.617)
Purchase	(58.771.001)	(43.093.474)	(53.713.294)	(48.561.672)
Inventory variations	(1.197.887)	(456.444)	2.771.041	759.055
Services and other goods	(18.478.411)	(17.122.160)	(17.713.144)	(14.735.202)
Personnel costs	(36.200.660)	(36.394.385)	(31.488.916)	(23.809.907)
Depreciation and amortization	(1.936.766)	(2.070.069)	(1.493.198)	(899.504)
Allowance for doubtful accounts and inventory write off	(419.912)	(874.891)	(1.161.159)	117.696
Provisions	121.978	276.090	146.895	(195.132)
Other operating charges	(459.220)	(538.382)	(483.592)	(416.108)
Operating result	5.302.458	5.067.421	8.323.009	8.131.513
Financial income	625.784	448.465	641.228	614.168
Income from financial fixed assets	9.180	1.270	16.522	-
Income from current assets	56.799	133.811	480.047	431.410
Other financial income	559.805	313.384	144.659	182.758
Financial charges	(814.097)	(1.191.620)	(593.507)	(465.574)
Interests on financial debts	(255.893)	(262.781)	(61.734)	(85.922)
Other financial charges	(558.204)	(928.839)	(531.773)	(379.652)
Net financial income (expense)	(188.313)	(743.155)	47.721	148.594
Result of operating activities after net finance costs	5.114.145	4.324.266	8.370.730	8.280.107
Taxes	(1.035.115)	(879.861)	(2.182.770)	(2.546.846)
Deferred Taxes	566.384	29.345	(168.518)	(368.885)
Deferred tax income	757.843	211.845	123.623	61.507
Deferred Tax expense	(191.459)	(182.500)	(292.141)	(430.392)
Corporate income tax	(1.601.499)	(909.206)	(2.014.252)	(2.177.961)
Taxes	(1.639.773)	(1.026.256)	(2.144.343)	(2.182.004)
Tax adjustment	38.274	117.050	130.091	4.043
Profit for the period	4.079.030	3.444.405	6.187.960	5.733.261
Share of after-tax profit or loss of associates and joint ventures accounted for using the equity method	-	-	-	-
Consolidated profit	4.079.030	3.444.405	6.187.960	5.733.261
Minority interest	-	-	-	-
Share of the group	4.079.030	3.444.405	6.187.960	5.733.261
Basic earning per share in EUR	31/12/2010	31/12/2009	31/12/2008	31/12/2007
Weighted average number of outstanding shares	1.841.064	1.803.661	1.803.676	1.672.228
Operating result (EBIT) per share	2,88 €	2,81 €	4,61 €	4,86 €
Net profit for the period/share	2,22 €	1,91 €	3,43 €	3,43 €
Diluted earning per share in EUR	31/12/2010	31/12/2009	31/12/2008	31/12/2007
Weighted average number of outstanding shares	1.841.064	1.803.661	1.803.676	1.672.228
Weighted average number of outstanding dilutive warrants	6.585	46.523	53.844	58.178
Number of shares after dilution	1.847.648	1.850.184	1.857.520	1.730.407
Operating result (EBIT) per share	2,87 €	2,74 €	4,48 €	4,70 €
Net profit for the period/share	2,21 €	1,86 €	3,33 €	3,31 €
Comprehensive income	31/12/2010	31/12/2009	31/12/2008	31/12/2007
Net profit for the period/share	4.079.030	3.444.405	6.187.960	5.733.261
Foreign exchange gains & losses	34.834	11.583	126.256	(215.910)
Comprehensive income	4.113.864	3.455.988	6.314.216	5.517.351
Share of the group	4.113.864	3.455.988	6.314.216	5.517.351