

Voluntary and conditional public takeover bid in cash

possibly followed by a squeeze-out

by

Canon Europa N.V.

**for all Shares which are not held by the Bidder
(including the Treasury Shares), Warrants and Stock
Options**

issued by

Image Recognition Integrated Systems Group SA

Financial adviser to the Bidder



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Canon Europa N.V., a limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands, having its registered office at Bovenkerkerweg 59, 1185 XB Amstelveen, the Netherlands, filed with the Commercial Register (*Kamer van Koophandel*) of Amsterdam under number 33166721

for all Shares which are not held by the Bidder (including the Treasury Shares), Warrants and Stock Options issued by

Image Recognition Integrated Systems Group (abbreviated I.R.I.S.), a limited liability company (*société anonyme / naamloze vennootschap*) organised under Belgian law, having its registered office at rue du Bosquet 10, Parc Scientifique de Louvain-la-Neuve, 1435 Mont-Saint-Guibert, Belgium, filed with the Register of Legal Enterprises (*Registre des Personnes Morales / Rechtspersonenregister*) of Nivelles under number 0448.040.624

The Bidder offers the following Bid Price:

- EUR 44.5 per Share (including per Treasury Share);
- EUR 19.14 per outstanding Stock Option issued pursuant to the Horizon 2009 Stock Option plan;
- EUR 12.83 per outstanding Stock Option issued pursuant to the Horizon 2011 Stock Option plan;
- EUR 12.83 per outstanding Warrant issued pursuant to the Horizon 2011 Warrants plan; and
- EUR 17.73 per outstanding Warrant issued pursuant to the Horizon 2015 Warrants plan.

The Initial Acceptance Period will start on 6 February 2013 and close on 20 March 2013 (both dates inclusive), subject to the extension of the Initial Acceptance Period, as mentioned in Chapter 6.7 below ("Initial Acceptance Period and extension") as of page 76.

In any event, the Acceptance Period in case of extension of the Initial Acceptance Period and/or voluntary reopening as mentioned in Section 6.8.2 below ("Voluntary reopening") as of page 77, will close no later than 17 April 2013.

Acceptance Forms must be lodged with ING Belgium SA/NV (Receiving and Paying Agent), either directly or via a financial intermediary.

This Prospectus (including the Acceptance Form) is available in English on the website of ING Belgium SA/NV on: http://www.ing.be/en/retail/investments/shares-and-bonds/Pages/shares.aspx?WT.xmenusource=LEFTNAVIGATION_Actions. The English version of this Prospectus is not approved by the FSMA, unlike the French version.

It is also available in French on the website of ING Belgium SA/NV on http://www.ing.be/fr/retail/investments/shares-and-bonds/Pages/shares.aspx?WT.xmenusource=LEFTNAVIGATION_Actions.

This Prospectus is also available in English and in French on the website of the Target on <http://www.iriscorporate.com/c2-151-17/Prospectus.aspx>.

Further, the summary of this Prospectus is also available in Dutch on the website of ING Belgium SA/NV on https://www.ing.be/nl/retail/investments/shares-and-bonds/Pages/shares.aspx?WT.xmenusource=LANGUAGE_NL.

This Prospectus can also be sent without charge upon request by telephone from ING Belgium SA/NV at +32 2 464 60 02 (French) or at +32 2 464 60 04 (English).

This Prospectus is a translation of the French version that was approved by the FSMA on 5 February 2013. In case of differences between the French and English versions, the French version will prevail.

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1. SUMMARY OF THIS PROSPECTUS

1.1 Notice

The present summary must be read as an introduction to this Prospectus. It should be read together with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Prospectus. Any decision whether or not to accept to tender Securities under the Bid must be based on a careful and exhaustive examination of this Prospectus (including its Annexes, which form integrally part of this Prospectus).

No liability may be attributed to anyone in respect of the present summary or its translation, unless it is misleading, inaccurate or in contradiction with other parts of this Prospectus.

The terms used in the present summary with a capital letter and which are not expressly defined therein, shall have the meaning attributed to them in Chapter 2.1 below (“Definitions”) as of page 21.

1.2 Bidder

The Bidder is Canon Europa N.V., a limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands, having its registered office at Bovenkerkerweg 59, 1185 XB Amstelveen, the Netherlands, filed with the Commercial Register (*Kamer van Koophandel*) of Amsterdam under number 33166721.

The Bidder is a 100% subsidiary of Canon, Inc. of Japan, a world leading innovator in imaging products and solutions for the digital home and office. More information on the Bidder can be found in Chapter 3 below (“The Bidder”) as of page 31.

Only for the purposes of section 3, §1, 5°, a) of the Law on Takeover Bids, the Target and the Bidder are acting in concert as a result of entering into the support agreement dated September 18, 2012 pursuant to which the Board supports the Bid, as further detailed in Chapter 1.6 (“Support of the Target”) below. Therefore, this aforementioned cooperation between the Target and the Bidder does not, in any way, constitute a joint offer.

More information in this respect can be found in Chapter 3.8 (“Persons acting in concert with the Bidder”) below as of page 34.

1.3 Target

The Target is Image Recognition Integrated Systems Group (abbreviated I.R.I.S.), limited liability company (*société anonyme / naamloze vennootschap*) organised under Belgian law, having its registered office at rue du Bosquet 10, Parc Scientifique de Louvain-la-Neuve, 1435 Mont-Saint-Guibert, Belgium, filed with the Register of Legal Enterprises (*Registre des Personnes Morales / Rechtspersonenregister*) of Nivelles under number 0448.040.624.

The Target is engaged primarily in the business of intelligent document recognition and document management solutions. More information on the Target can be found in Chapter 4 below ("The Target") as of page 36.

1.4 Characteristics of the Bid

1.4.1 Nature of the Bid

The Bid is a voluntary conditional bid made pursuant to Chapter II of the Royal Decree on Takeover Bids. The Bid is in cash.

The Bid relates to the totality of the 1,550,282 Shares which are not held by the Bidder (including 49,292 Treasury Shares), 44,000 Warrants (including if such Warrants will be exercised and converted into Shares during the Initial Acceptance Period) and 27,000 Stock Options issued by the Target. The Bid does not relate to the 1,240,072 VVPR Strips issued by the Target. The Bidder does not assume any liability in relation to the loss of value, if any, and for any reason whatsoever, related to the VVPR Strips.

The Bid will also extend to any new Share that would be issued by the Target prior to the end of the Initial Acceptance Period as a result of the exercise of Warrants issued by the Target that are outstanding on the day prior to the announcement of the Offer.

1.4.2 Bid Price

The Bidder offers EUR 44.5 in cash for each Share (including each Treasury Share).

The Bidder has retained the following valuation methods to determine the price per Share offered under the Bid:

- historical price performance of the Share;
- premiums observed in historical Belgian takeover bids;
- target share prices of equity research analysts;
- trading multiples of comparable quoted companies;
- transaction multiples for comparable transactions; and
- Discounted Cash Flow method.

These valuation methods are each discussed in more detail in Chapter 6.3 below ("Bid Price and justification") as of page 52.

The Bid Price for the Warrants and the Stock Options has been determined in line with applicable market practice, *i.e.* Black & Scholes valuation methodology taking into account exercise price, period and other parameters related to the Target or the market. On this basis, the Bidder has valued the Warrants and the Stock Options at:

- EUR 19.14 per outstanding Stock Option issued pursuant to the Horizon 2009 Stock Option plan;
- EUR 12.83 per outstanding Stock Option issued pursuant to the Horizon 2011 Stock Option plan;
- EUR 12.83 per outstanding Warrant issued pursuant to the Horizon 2011 Warrants plan; and
- EUR 17.73 per outstanding Warrant issued pursuant to the Horizon 2015 Warrants plan.

1.4.3 Fairness Opinion

The independent directors of the Target are statutorily not required to appoint an independent expert pursuant to sections 20 to 23 of the Royal Decree on Takeover Bids. However, the independent directors of the Target have commissioned KPMG to establish a fairness opinion on the Bid Price. The Fairness Opinion has been issued by KPMG and unanimously approved by the Board on 17 September 2012. The conclusion of the Fairness Opinion reads as follows:

“Based upon and subject to the contents of this letter, KPMG Corporate Finance is of the opinion that, taking into consideration the relevant elements of the Envisaged Transactions, underlying assumptions and business information in conjunction with the analysis as described in this report, the Envisaged Transaction will take place at fair market value.”

1.4.4 Conditions precedent to the Bid

The Bid is subject to the following conditions precedent:

- (i) the holding, by the Bidder, of at least 90% plus one of the Securities granting voting rights on a fully diluted basis at the end of the Initial Acceptance Period of the Bid;
- (ii) the Bid shall not be subject to review by any governmental authority regulating anti-trust, competition or merger control matters in any jurisdiction beyond the initial phase of review for the applicable jurisdiction (which, by way of example, for the purposes of Belgium shall mean – in circumstances where the simplified procedure does not apply – any review beyond the initial 40 Business Days review period provided by the law following the submission of a complete notification), and no conditions shall be imposed in any decisions taken during such initial review periods approving the Bid, within the meaning of section 4 of the Royal Decree on Takeover Bids;
- (iii) the amendment of article 24 of the articles of association of the Target (subject to all other conditions of the Bid being fulfilled or waived in accordance with the terms and subject to the conditions of the Bid), with a view to removing the 10% voting right cap limitation, at the extraordinary shareholders’ meeting of the Target; and

- (iv) the non-occurrence, at any time after the Announcement Date of the Bid and prior to the date of announcement of the results of the Initial Acceptance Period (both dates included), of any of the following events beyond the Bidder's control:
 - (a) any fact, circumstance or omission by the end of the Initial Acceptance Period causing, or reasonably capable of causing (in the latter case insofar as this probability is confirmed by an independent expert), solely or jointly with any other fact, circumstance or omission, a negative impact of more than EUR 5 million (after taxes) on the Target's consolidated net assets or more than EUR 3 million on the Target's consolidated EBIT (*résultat opérationnel / bedrijfsresultaat*) (regardless of whether such fact, circumstance or omission has had an impact on the Target's stock market value); and/or
 - (b) a reduction of the closing quote of the BEL-20 index of more than 10% compared against the closing quote of the BEL-20 index on the date preceding the Announcement Date. However, any decision by the Bidder to maintain the Bid during a period in which the closing quote of the BEL-20 index has temporarily been reduced by more than 10% compared against the closing quote of the BEL-20 index on the date preceding the Announcement Date, does not affect the Bidder's right to invoke the condition and thus withdraw the Bid (even though the Bidder cannot invoke the previously mentioned reduction anymore) if the closing quote of the BEL-20 index would again be reduced by more than 10% compared against the closing quote of the BEL-20 index on the date preceding the Announcement Date, and this, until all other conditions precedent to the Bid have been fulfilled.

The above conditions precedent are provided exclusively for the benefit of the Bidder, who reserves the right to waive any of them in whole or in part. If any of the above conditions precedent are not met, the Bidder will announce its decision whether or not to waive such unmet condition(s) at the time of announcement of the results of the Bid following the Initial Acceptance Period, possibly extended, at the latest (currently expected to be on 26 March 2013).

Article 24 of the articles of association of the Target as set forth under Chapter 6.2(iii) has been amended on 29 November 2012, on the occasion of an extraordinary shareholders' meeting of the Target (subject to the fact that all other conditions of the Bid being fulfilled or waived in accordance with the terms and subject to the conditions of the Bid).

1.4.5 Initial Acceptance Period and extension

The Initial Acceptance Period will start on 6 February 2013 and close on 20 March 2013 (both dates inclusive).

Pursuant to section 31 of the Royal Decree on Takeover Bids, the Initial Acceptance Period may be extended.

This will be the case when the Bidder or a person acting in concert with the Bidder acquires or undertakes to acquire, beyond the scope of this Bid, Securities at a price exceeding the Bid Price after the publication of the notice announcing this Bid and prior to the publication of the results of the Bid following the Initial Acceptance Period. In such case, the Bid Price will be adjusted to meet the higher price and the Initial Acceptance Period will be extended by 5 Business Days following the publication of the higher price so as to allow Security Holders to accept the Bid at the higher price.

Furthermore, the Bidder reserves the right to extend the Initial Acceptance Period for 2 weeks, which does not exceed the maximum period of 10 weeks of the Initial Acceptance Period allowed by law, if the condition set forth in Chapter 6.2(ii) below as of page 51 is not fulfilled and therefore no final decision is taken by the competent competition authorities before the currently foreseen end of the Initial Acceptance Period on 20 March 2013. On 20 March 2013, the Bidder will inform the public either of the closing of the Initial Acceptance Period if the condition mentioned below is fulfilled, or of the extension of the Initial Acceptance Period if the said condition is not fulfilled.

1.4.6 Payment on the Initial Settlement Date

The Bid Price must be paid, at the latest, on the 10th Business Day following the announcement of the results of the Bid following the Initial Acceptance Period. The Bidder currently plans to pay the Bid Price on 27 March 2013 (subject to the extension of the Initial Acceptance Period, as mentioned in Chapter 1.4.5 above), being the Initial Settlement Date.

1.4.7 Reopening of the Bid and squeeze-out

(A) Holder of 90% of the Securities with voting rights

Pursuant to section 35, 1° of the Royal Decree on Takeover Bids, the Bid shall automatically be reopened when the Bidder, any persons affiliated to it and any persons acting in concert with it, hold, upon expiry of the Initial Acceptance Period, at least 90% of all Securities with voting rights. The Bid will reopen within 10 Business Days following the publication of the results of the Bid following the Initial Acceptance Period for a subsequent Acceptance Period of at least 5 and maximum 15 Business Days.

(B) Increase in the Bid Price during the Acceptance Period

If the Bidder acquires, prior to the expiry of the Initial Acceptance Period, Securities at a price higher than the Bid Price (which is not its intention), sections 35 and 36 of the Royal Decree on Takeover Bids require the reopening of the Acceptance Period within 10 Business Days after the notification of the event that entails said reopening.

In such case, the Bid will be reopened at the higher price and the Bidder will pay the difference between this higher price and the Bid Price to the Security Holders who accepted the earlier Bid or any potential counter-bid.

(C) Voluntary reopening

If, upon completion of the Bid, the Bidder, any persons affiliated to it and any persons acting in concert with it, hold at least 85% but less than 90% of the Shares, and the Bidder waives the acceptance threshold condition precedent, and the other conditions precedent have been fulfilled or waived, the Bidder reserves the right to reopen the Bid at its discretion under the same terms and conditions after the publication of the results of the Bid following the Initial Acceptance Period.

In no event shall the aggregate of the Initial Acceptance Period (including any extension) and any voluntary reopening of the Bid exceed 10 weeks, *i.e.* 17 April 2013.

(D) Squeeze-out

If the statutory conditions are met, the Bidder also intends to launch a squeeze-out within the framework of the Bid in accordance with sections 42 and 43 of the Royal Decree on Takeover Bids and section 513 of the Companies' Code, for all Securities with voting rights or giving access to voting rights which are not yet in its possession following the Initial Acceptance Period. More information on the squeeze-out procedure can be found in Chapter 6.8.3 below ("Squeeze-out") as of page 78.

(E) Application for delisting

Even if the conditions for a reopening of the Bid or for a squeeze-out would not be satisfied, the Bidder reserves the right to apply for a delisting of the Shares pursuant to section 7, §4 of the Law of 2 August 2002, in which case such delisting will need approval from NYSE Euronext Brussels and will only become effective if the FSMA has no objections.

More information on the application for delisting procedure can be found in Chapter 6.8.46.8.3 below ("Application for delisting") as of page 78.

(F) Compelled purchase

Pursuant to section 44 of the Royal Decree on Takeover Bids, if the Bidder, any persons affiliated to it and any persons acting in concert with it, hold, following the Bid or its reopening, at least 95% of the Shares, and provided that the Bidder acquired at least 90% of the Shares subject to the Bid, any Security Holder is entitled to require the Bidder to purchase its Securities at the Bid Price.

More information on the compelled purchase procedure can be found in Chapter 6.10 below ("Compelled purchase") as of page 79.

(G) Dates

Any reopening of the Bid (or any possible squeeze-out) will occur on 27 March 2013, subject to the extension of the Initial Acceptance Period, as mentioned in Chapter 6.7 below ("Initial

Acceptance Period and extension”) as of page 76 and will close on 17 April 2013 (both dates inclusive), if the conditions for such reopening or squeeze-out are fulfilled.

1.4.8 Payment on subsequent Settlement Dates

In case of reopening of the Bid (or of a squeeze-out), the Bid Price relating to the Securities brought to the Bid within the context of such reopening (and the Bid Price relating to the Securities brought to the squeeze-out or transferred within the context thereof) must be paid, at the latest, by the 10th Business Day following the announcement of the results of the Bid following such reopening or such squeeze-out, *i.e.* on 23 April 2013.

1.4.9 Indicative timetable of the Bid

Event	(Anticipated) date
Filing of the Bid and the draft Prospectus with the FSMA	17 September 2012
Announcement of the Bid by the FSMA	18 September 2012
Extraordinary shareholders' meeting of the Target	7 November 2012
Second extraordinary shareholders' meeting of the Target	29 November 2012
Approval of this Prospectus by the FSMA	5 February 2013
Approval of the Memorandum in Reply by the FSMA	5 February 2013
Release of this Prospectus to the public	6 February 2013
Opening of the Initial Acceptance Period	6 February 2013
Closing or extension of the Initial Acceptance Period ¹	20 March 2013
Publication of the results of the Bid (and indication whether the conditions of the Bid are met or not, and, should this not be the case, whether the Bidder waives them or not)	26 March 2013
Voluntary reopening, mandatory reopening of the Bid (should the Bidder hold at least 90% of the Shares), or possible	27 March 2013

¹ All following dates of this timetable are postpone by 2 weeks in case of extension of the Initial Acceptance Period, as mentioned in Chapter 6.7 below (“Initial Acceptance Period and extension”) as of page 76, except of the date of closing, publication of results and settlement of the second Acceptance Period, in case of voluntary reopening.

squeeze-out (if the Bidder holds more than 95% of the Shares and if at least 90% of the Shares covered by the Bid have been brought thereto)	
Initial Settlement Date	27 March 2013
Closing of the Initial Acceptance Period in case of extension (if applicable)	3 April 2013
Closing of the second Acceptance Period (if applicable)	17 April 2013
Publication of the results of the period of reopening of the Bid (and squeeze-out, as the case may be)	22 April 2013
Reopening of the Bid (should the Bidder hold at least 90% of the Shares) or squeeze-out (if the Bidder holds more than 95% of the Shares, if 90% of the Shares subject to the Bid have been brought to it) if they have not taken place earlier ²	23 April 2013
Settlement Date within the context of the reopening of the Bid (and squeeze-out, as the case may be)	23 April 2013
Closing of the mandatory reopening or the squeeze-out	15 May 2013
Publication of the results of the mandatory reopening or the squeeze-out	21 May 2013
Settlement Date within the context of the mandatory reopening or the squeeze-out	22 May 2013

1.5 Bidder's objectives and intentions

The Bidder has a long standing strategy to offer its customers end-to-end office solutions in the business environment. During the close strategic partnership between the Bidder and the Target, the Bidder has been impressed with the Target's innovative technology and its broad range of solutions in the office market. The Bidder, therefore, believes that there is a strong strategic fit between both companies, and also believes that an increased alignment of their products and technologies would benefit both parties.

² In case of mandatory reopening of the Bid on this date, the squeeze-out will take place after the closing of the mandatory reopening if the Bidder holds more than 95% of the Shares and 90% of the Shares subject to the Bid have been brought to it.

A successful Bid, and the ensuing full ownership of the Target by the Bidder, will allow both companies to cooperate more closely on finding innovative solutions to the problems faced by their customers than is currently the case. As such, the Bid fits with the Bidder's plan to develop a range of high-end technology solutions that complement its current world class products and to develop a consultancy based sales approach. This will also allow the Bidder to support the continued growth of the Target's business in the current challenging European and global economic conditions.

Following successful completion of the Bid, the Bidder currently intends to continue to operate and develop the Target's existing business as a stand-alone company within the Bidder's group, in close cooperation with current management and in the same way as the Bidder has managed the relationship with other companies acquired for their technology. This would allow the Target to keep its focus on high-quality product development while continuing to offer a broad range of professional solutions. There are no current intentions to change the existing strategic partnership whereby the Bidder and the Target sell each other's products to their own customers, or to request the Target to change current relationships with its partners and customers. The Bidder will work closely with current management to safeguard these important business relationships.

The Bidder has a strong balance sheet with a considerable cash position. According to the Bidder's zero external loan policy, there is no intention to change the leverage position of the Target significantly. On the contrary, the Bidder's financial strength is likely to result in an even higher level of security for the Target and its employees, especially in the current challenging economic climate. The Bidder is, in principle, able to provide faster, easier and more secure access to financing as compared to current debt or equity markets.

Becoming a part of the Bidder's group may also offer possibilities of professional development for suitable employees in Belgium and internationally.

More information in this respect can be found in Chapter 5 below ("Objectives and intentions of the Bidder") as of page 48.

1.6 Support of the Target

On 18 September 2012, the Bidder and the Target reached an agreement in relation to a number of matters concerning the Bid. Such agreement provides, amongst other matters and subject to certain conditions relating to its termination (*i.e.* termination or withdrawal of the Bid, termination by the Bidder, termination on rival bid becoming or being declared wholly unconditional), the following:

- undertaking by the Target to procure that the Board will support the Bid, subject to any fiduciary duties the Board may have;
- undertaking by the Target to tender the Treasury Shares to the Bidder under the Bid at the Bid Price, upon the terms and subject to the conditions of the Bid;

- undertaking by the Target to agree on a common communication strategy in close cooperation with the Bidder, and not to issue any press releases or any other form of public statement related to the Bid, or having directly or indirectly an impact on the Bid (including the Bid Price), without the prior written approval of the Bidder;
- undertaking by the Target that the members of the Board will tender their Securities to the Bidder under the Bid at the Bid price, upon the terms and subject to the conditions of the Bid;
- undertaking by the Target that it shall not, and that the members of the Board shall not, acquire any further Securities;
- undertaking by the Target to procure that the current CEO of the Target shall extend the duration of his current management agreement with the Target, prior to the end of the Initial Acceptance Period of the Bid, for a minimum period of 3 years starting as from the completion of the Bid;
- undertaking by the Target that it will not solicit any third party to analyse, organise or otherwise initiate a potential takeover bid, merger, or any other operation that would relate to a transfer (in the broadest sense possible) of all or a significant part of the Shares, subject to any fiduciary duties that the Board may have;
- undertaking by the Target to procure that the Board will not increase the Target's share capital by application of article 5 of the articles of association; and
- undertaking by the Target to pay a break-up fee to the Bidder in the event of a successful solicited or unsolicited (hostile) counterbid up to a maximum amount of EUR 1.4 million.

1.7 Other relevant information within the context of the Bid

1.7.1 Receiving and Paying Agent

ING Belgium SA/NV will provide the services of Receiving and Paying Agent for the purposes of the Bid.

Acceptance of the Bid may be done free of charge through the Receiving and Paying Agent by submitting the Acceptance Form, duly completed and signed. Any expenses possibly charged by other financial intermediaries will be for the account of the Security Holders tendering their Securities, and will not be paid by the Bidder.

1.7.2 Availability of the Prospectus

This Prospectus is available in English on the website of ING Belgium SA/NV on http://www.ing.be/en/retail/investments/shares-and-bonds/Pages/shares.aspx?WT.xmenusource=LEFTNAVIGATION_Actions. The English version of this Prospectus is not approved by the FSMA, unlike the French version.

It is also available in French on the website of ING Belgium SA/NV on www.ing.be/fr/retail/investments/shares-and-bonds/Pages/shares.aspx?WT.xmenusource=LEFTNAVIGATION_Actions.

This Prospectus is also available in English and in French on the website of the Target on <http://www.iriscorporate.com/c2-151-17/Prospectus.aspx>.

Further, the summary of this Prospectus is also available in Dutch on the website of ING Belgium SA/NV on: https://www.ing.be/nl/retail/investments/shares-and-bonds/Pages/shares.aspx?WT.xmenusource=LANGUAGE_NL.

This Prospectus can also be sent without charge upon request by telephone from ING Belgium SA/NV at +32 2 464 60 02 (French) or at +32 2 464 60 04 (English).

This Prospectus is a translation of the French version that was approved by the FSMA on 5 February 2013. In case of differences between the French and English versions, the French version will prevail.

1.7.3 Governing law and jurisdiction

The Bid is governed by Belgian law, in particular by the Law on Takeover Bids and the Royal Decree on Takeover Bids.

Any litigation relating to the Bid or to this Prospectus shall be subject to the exclusive competence of the relevant courts of Brussels.

2. GENERAL INFORMATION

2.1 Definitions

Acceptance Form	The acceptance form to tender Securities under the Bid, attached to this Prospectus as Annex 8.1;
Acceptance Period	The Initial Acceptance Period and/or the subsequent acceptance period(s) of any reopening(s) of the Bid (including within the context of a squeeze-out);
Annex(es)	Any or all, as the context requires, of the annexes to this Prospectus;
Announcement Date	18 September 2012;
Bid	The conditional voluntary takeover bid for the Securities, launched by the Bidder upon the terms and subject to the conditions set out in this Prospectus, including, as the case may be, any subsequent revision, extension, amendment or variation thereof in accordance with applicable laws, as well as any reopening of the Bid;
Bid Price	The cash price offered by the Bidder for each respective Security tendered within the framework of the Bid, as set out in Chapters 6.3 ("Bid Price and justification") and 6.4 ("Bid Price for the Warrants and Stock Options and justification") below as of page 52;
Bidder	Canon Europa N.V., a limited liability company (<i>naamloze vennootschap</i>) incorporated under the laws of the Netherlands, having its registered office at Bovenkerkerweg 59, 1185 XB Amstelveen, the Netherlands, filed with the Commercial Register (<i>Kamer van Koophandel</i>) of Amsterdam under number 33166721;
Board	The board of directors of the Target;
Business Day	Any working day in the banking sector in Belgium, with the exception of Saturdays and Sundays;
CEO	The Chief Executive Officer of the Target, being Mr. Pierre de Muelenaere;

Chapter	A chapter of this Prospectus;
Companies' Code	The Belgian Companies' Code (<i>Code des sociétés / Wetboek van vennootschappen</i>);
EBITDA	Earnings before interest, taxes, depreciation and amortisation;
Fairness Opinion	The fairness opinion commissioned by the independent directors of the Target from KPMG, without any legal obligation to do so, and issued on 17 September 2012, as further outlined in Chapter 6.4.1 below ("Fairness Opinion") as of page 74;
FSMA	The Belgian Financial Services and Markets Authority (<i>Autorité des services et marchés financiers / Autoriteit voor Financiële Diensten en Markten</i>);
Initial Acceptance Period	The initial period during which Security Holders can tender their Securities within the framework of the Bid, starting on 6 February 2013 and closing on 20 March 2013, subject to the extension of the Initial Acceptance Period, as mentioned in Chapter 6.7 below ("Initial Acceptance Period and extension") as of page 76;
Initial Settlement Date	The date on which (i) the Bid Price is paid to the Security Holders who have tendered their Securities within the framework of the Bid during the Initial Acceptance Period, and on which (ii) title to said Securities is transferred to the Bidder;
KPMG	Klynveld Peat Marwick Goerdeler Advisory, a civil company having taken the form of a co-operative limited liability company (<i>société civile sous forme de société coopérative à responsabilité limitée / burgerlijke vennootschap onder de vorm van een coöperatieve vennootschap met beperkte aansprakelijkheid</i>) organised under Belgian law, having its registered office at avenue Bourget 40, 1130 Haren, Belgium, filed with the Register of Legal Enterprises (<i>Registre des Personnes Morales / Rechtspersonenregister</i>) of Brussels under number 0439.819.279;

Law on Takeover Bids	The Belgian Law of 1 April 2007 on takeover bids (<i>Loi relative aux offres publiques d'acquisition / Wet op de openbare overnamebiedingen</i>);
Law of 2 August 2002	The Belgian Law of 2 August 2002 on the supervision of the financial sector and financial services (<i>Loi relative à la surveillance du secteur financier et aux services financiers / Wet betreffende het toezicht op de financiële sector en de financiële diensten</i>);
Memorandum in Reply	The memorandum in reply prepared by the Board in accordance with sections 22 and following of the Law on Takeover Bids, attached hereto as Annex 8.4;
Prospectus	The present prospectus and its Annexes, which constitute an integral part of the present prospectus, as completed or amended, if need be, by any supplement to the present prospectus;
Receiving and Paying Agent	ING Belgium, a limited liability company (<i>société anonyme / naamloze vennootschap</i>) organised under Belgian law, having its registered office at avenue Marnixlaan 24, 1000 Bruxelles, Belgium, filed with the Register of Legal Enterprises (<i>Registre des Personnes Morales / Rechtspersonenregister</i>) of Brussels under number 0403.200.393, licensed as a credit institution by the National Bank of Belgium, boulevard de Berlaimont-laan 14, 1000 Brussels, Belgium;
Royal Decree on Takeover Bids	The Belgian Royal Decree of 27 April 2007 on takeover bids (<i>Arrêté Royal relatif aux offres publiques d'acquisition / Koninklijk Besluit op de openbare overnamebiedingen</i>);
Security/(ies)	Any or all, as the context requires, of the Shares, and/or the Treasury Shares, and/or the Warrants and/or the Stock Options;
Security Holder(s)	Any or all, as the context requires, holder(s) of Shares, Treasury Shares, Warrants and/or Stock Options;
Settlement Date	The Initial Settlement Date and/or the subsequent settlement date(s) of any reopening(s) of the Bid (including in the context of a squeeze-out);

Share Purchase Agreement	The share purchase agreement amongst the Bidder, Sofinim NV, Compagnie Nationale de Portefeuille SA, Pierre De Muelenaere and Etienne Van de Kerckhove dated 14 July 2009 as referred to in Chapter 3.9.1 below (“Direct shareholding by the Bidder”) as of page 34;
Share(s)	Any or all, as the context requires, of the 1,865,072 shares (<i>actions / aandelen</i>) issued by the Target (including the Treasury Shares) with coupon No 10 attached, as further described in Chapter 4.7.1 below (“Share capital”) as of page 40, including new shares which would be issued by the Target as a result of the exercise of the Warrants before the end of the Initial Acceptance Period, but excluding any other new shares which would be issued by the Target, on any other basis, during the same period;
Stock Option(s)	Any or all, as the context requires, of the 27,000 stock options (<i>options sur actions / aandelenopties</i>) issued by the Target, as further described in Chapter 4.7.4 below (“Warrants and Stock Options”) as of page 42;
Target	Image Recognition Integrated Systems Group (abbreviated I.R.I.S.), a limited liability company (<i>société anonyme / naamloze vennootschap</i>) organised under Belgian law, having its registered office at rue du Bosquet 10, Parc Scientifique de Louvain-la-Neuve, 1435 Mont-Saint-Guibert, Belgium, filed with the Register of Legal Enterprises (<i>Registre des Personnes Morales / Rechtspersonenregister</i>) of Nivelles under number 0448.040.624;
Treasury Share(s)	Any or all, as the context requires, of the 49,292 treasury shares (<i>actions propres / eigen aandelen</i>) as further described in Chapter 4.7.2 below (“Treasury Shares”) as of page 40;
Voting Cap	The provision in the Target’s articles of association that no Security Holder can participate in the vote at a shareholders’ meeting of the Target for more than 10% (or any other percentage, as the case may be) of the voting rights relating to all Securities issued by the Target, whether or not such Securities represent the share capital

of the Target as further described in Chapter 4.9.7 below (“Voting right limitation”) as of page 46;

VVPR Strips

Any or all, as the context requires, of the rights entitling their holders to a reduced rate of Belgian withholding tax (15% rather than 25%) on dividends related to the Shares, which are listed on NYSE Euronext Brussels and traded separately, as further described in Chapter 4.7.6 below (“VVPR Strips”) as of page 43; and

Warrant(s)

Any or all, as the context requires, of the 44,000 outstanding warrants (*droits de souscription / warrants*) issued by the Target giving their holders the right to subscribe to Shares, as further described in Chapter 4.7.4 below (“Warrants and Stock Option”) as of page 42.

2.2 Interpretation of definitions

Where defined terms throughout this Prospectus sometimes are followed by terms that already form part of the defined terms as listed in Chapter 2.1 above, such repetitions of such terms are aimed at increasing the readability of such defined terms throughout this Prospectus, and do not affect the validity of the defined terms as listed in Chapter 2.1 above (which, for interpretation purposes only, shall take preference above such defined terms throughout this Prospectus).

2.3 Information contained in this Prospectus

This Prospectus has been established and drafted in accordance with appendix 1 to the Royal Decree on Takeover Bids.

The Security Holders must refer solely to the information contained in this Prospectus. The Bidder has not authorised any person to provide any information or make statements relating to the Bid to the Security Holders other than the information and statements contained in this Prospectus, as completed or amended, if need be, by any supplement, and the Bidder will not provide any information other than as contained in this Prospectus (excluding any other public announcements which are required by law, such as the announcement of the results of the Bid). The information contained in this Prospectus is valid and accurate as of the date of this Prospectus.

Any new significant fact or any substantial error or inaccuracy regarding the information contained in this Prospectus, which is of a nature to influence the assessment of the Bid and which arises or comes to note between the date of this Prospectus and the closing of the final Acceptance Period, shall be made public in Belgium by means of a supplement to this Prospectus, in accordance with section 17 of the Law on Takeover Bids.

The Bidder confirms that, to its best knowledge, the content as well as the information in this Prospectus is in accordance with reality, is not misleading and does not include any omission capable of altering the scope of this Prospectus.

The Security Holders must carefully read this Prospectus in its entirety and shall base their decision on their personal examination of the terms and conditions of the Bid, including the advantages and the risks that it involves. Any summary or description in this Prospectus of the Bid, statutory provisions, operations, restructurings or contractual relations of the Target, the Bidder and/or any other party, is provided for information purposes only and should not be construed as legal or tax advice as to the interpretation or enforceability of such provisions. In case of doubt regarding the contents or the meaning of the information contained in this Prospectus, the Security Holders should consult their financial, legal, tax or other advisers.

2.4 Restrictions

This Prospectus may only be used in Belgium and does not constitute, and may not be interpreted as, an offer to purchase, to sell, or a request to relinquish or otherwise transfer Securities (i) in any other jurisdiction in which such offer or solicitation is not authorised (ii) to any person to whom it is unlawful to make such offer or solicitation.

It is the sole responsibility of any person in possession of this Prospectus to obtain the relevant information on the existence of any such restrictions. This person should ensure to conform therewith where appropriate.

Outside Belgium, no steps or other formalities have been, or will be, taken to permit or to allow a public offer in a jurisdiction in which steps and other formalities would be required to this end.

Neither this Prospectus, nor any advertisement or other information may be placed or supplied at the disposal of the public in a jurisdiction other than Belgium, in which formalities such as registration, qualification, approval or any other requirement is, or would be, applicable. In particular (and without excluding any other jurisdictions that may be applicable), this Prospectus may not be distributed in the European Economic Area (the **EEA**), in Canada, in Japan or in the United States.

Any non-compliance or failure to observe these restrictions may constitute a violation of the financial or other legislation of the abovementioned jurisdictions or of the financial legislation of another jurisdiction. The Bidder expressly declines and rejects any responsibility for a violation of these restrictions by any person whomsoever.

2.5 Forward-looking statements

Certain statements featuring and contained in this Prospectus constitute forward-looking statements, including, but not limited to, statements containing the words “*believe*”, “*plan*”,

“expect”, “anticipate”, “intend”, “continue”, “seek”, “may”, “can”, “will”, “should” and similar expressions.

These forward-looking statements demonstrate and involve risks and uncertainties, and although the Bidder considers that the expectations and assumptions reflected in these forward-looking statements are based on reasonable and sensible hypotheses, nothing in this Prospectus can be construed as a guarantee that the subject projections will be realised or accomplished, nor that they will be proven exact.

These forward-looking statements relate to known and unknown risks, uncertainties and other factors, which may result in substantial and considerable differences between the actual events, achievements or results and those expressed in these forward-looking statements. This is particularly true in the case of political, economic or legal developments affecting the current markets and economic environment in which the Bidder and/or the Target operates, competitive developments or risks attached to the Target's business plan, uncertainties, risks and volatility characterising the financial markets, as well as other factors affecting the Target.

Given these uncertainties, each Security Holder should only rely to a reasonable extent on such forward-looking statements, and should only take a decision whether or not to tender Securities within the framework of the Bid based upon all relevant information channels at its disposal, such as financial press articles, analyst reports, the website of the Target, etc.

Also, these forward-looking statements speak only as of the date of this Prospectus. The Bidder expressly disclaims any obligation to update any such forward-looking statements in this Prospectus to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based, except where such update is required pursuant to section 17 of the Law on Takeover Bids.

2.6 Approval of this Prospectus by the FSMA

In accordance with section 19 of the Law on Takeover Bids, the French version of this Prospectus was approved by the FSMA on 5 February 2013.

This approval by the FSMA does not imply any appraisal or assessment of the appropriateness or the quality of the Bid, nor of the position of the Bidder or the Target.

With the exception of the FSMA, no other authority in Belgium or in any other jurisdiction has approved this Prospectus or the Bid. As mentioned in Chapter 2.4 above ("Restrictions"), the Bid is only made in Belgium and no other steps whatsoever have been, or will be, taken in order to comply with the financial or other regulations of any other jurisdiction.

2.7 Persons responsible for this Prospectus

The Bidder, represented by its board of directors, is responsible for the entire Prospectus as well as the translations provided, except the Memorandum in Reply (which includes the response from the Target's works council), noting, however, that the financial information of the Target was provided by the Target.

2.8 Practical information and languages

This Prospectus is available in English on the website of ING Belgium SA/NV on: http://www.ing.be/en/retail/investments/shares-and-bonds/Pages/shares.aspx?WT.xmenusource=LEFTNAVIGATION_Actions. The English version of this Prospectus is not approved by the FSMA, unlike the French version.

It is also available in French on the website of ING Belgium SA/NV on www.ing.be/fr/retail/investments/shares-and-bonds/Pages/shares.aspx?WT.xmenusource=LEFTNAVIGATION_Actions.

This Prospectus is also available in English and in French on the website of the Target on <http://www.iriscorporate.com/c2-151-17/Prospectus.aspx>.

Further, the summary of this Prospectus is also available in Dutch on the website of ING Belgium SA/NV on https://www.ing.be/nl/retail/investments/shares-and-bonds/Pages/shares.aspx?WT.xmenusource=LANGUAGE_NL.

This Prospectus can also be sent without charge upon request by telephone from ING Belgium SA/NV at +32 2 464.60.02 (French) or at +32 2 464 60 04 (English).

This Prospectus is a translation of the French version that was approved by the FSMA on 5 February 2013. In case of differences between the French and English versions, the French version will prevail.

2.9 Financial and other information

This Prospectus contains financial and statistical information that may be rounded off and adjusted. Accordingly, the sum of certain data may, therefore, not be equal or identical to the expressed total.

Unless it is explicitly indicated otherwise in this Prospectus, the facts and figures, the industry data, market share data and other data, information or input provided in this Prospectus were derived and collected from independent industry publications, announcements, declarations, reports of marketing research and other independent sources or based on own estimates of the Bidder's management. The information has been accurately and carefully reproduced and, as far as the Bidder is aware and able to determine and ascertain, no facts have been disregarded or omitted which would render the reproduced information inaccurate or misleading. On the basis of the information obtained, the Bidder's management believes that

this information is fair and reasonable. It must be noted, however, that certain information is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of figures, information, data and other limitations and uncertainties inherent in any statistical survey of market information. As a result, the Bidder's management would like to draw the Security Holders' attention to the fact that it is not possible to provide entirely reliable information on market share, ranking and other similar data.

2.10 Financial adviser to the Bidder

ING Belgium NV/SA has advised the Bidder on certain financial aspects relating to the Bid. These services have been rendered exclusively for the benefit of the Bidder and may not be relied upon by any third party in any way. ING Belgium NV/SA does not accept any liability for the information contained in this Prospectus, and nothing contained in this Prospectus is, or may be relied upon, as an advice, promise or guarantee given by ING Belgium NV/SA.

2.11 Legal adviser to the Bidder

Van Bael & Bellis has advised the Bidder on certain legal aspects relating to the Bid. These services have been rendered exclusively for the benefit of the Bidder and may not be relied upon by any third party in any way. Van Bael & Bellis does not accept any liability for the information contained in this Prospectus, and nothing contained in this Prospectus is, or may be relied upon, as an advice, promise or guarantee given by Van Bael & Bellis.

2.12 Memorandum in Reply of the Board

Pursuant to sections 22 and following of the Law on Takeover Bids, a copy of the Memorandum in Reply (which includes the response from the Target's works council) adopted by the Board on 28 January 2013 and approved by the FSMA on 5 February 2013, is attached as Annex 8.4.

2.13 Advice of the works council of the Target

The advice adopted by the Target's works council pursuant to section 44 of the Law on Takeover Bids on the occasion of an extraordinary works council on 11 January 2013 reads as follows:

“The works council has taken note of the draft prospectus and the memorandum in reply of the board of directors of IRIS setting out the terms and conditions of the friendly bid by Canon on the IRIS group. The members of the works council issue a positive advice as to the financial interest of this transaction. As provided in the Takeover Law, the members of the works council will meet the representatives of the Bidder.”

2.14 Fairness opinion

The independent directors of the Target are statutorily not required to appoint an independent expert pursuant to sections 20 to 23 of the Royal Decree on Takeover Bids. However, the independent directors of the Target have commissioned KPMG to establish a fairness opinion on the Bid Price. The Fairness Opinion has been issued by KPMG and unanimously approved by the Board on 17 September 2012. The conclusion of the Fairness Opinion reads as follows:

“Based upon and subject to the contents of this letter, KPMG Corporate Finance is of the opinion that, taking into consideration the relevant elements of the Envisaged Transactions, underlying assumptions and business information in conjunction with the analysis as described in this report, the Envisaged Transaction will take place at fair market value.”

2.15 Governing law and jurisdiction

The Bid is governed by Belgian law, in particular the Law on Takeover Bids and the Royal Decree on Takeover Bids.

Any litigation relating to the Bid or to this Prospectus shall be subject to the exclusive competence of the relevant courts of Brussels.

3. THE BIDDER

3.1 Identification of the Bidder

The Bidder is Canon Europa N.V., a limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands, having its registered office at Bovenkerkerweg 59, 1185 XB Amstelveen, the Netherlands, filed with the Commercial Register (*Kamer van Koophandel*) of Amsterdam under number 33166721.

3.2 Corporate purpose of the Bidder

Pursuant to article 2 of the articles of association of the Bidder, its corporate purpose is as follows:

- “ 1. To buy, sell, exchange, produce, assemble, adjust and repair photographic and film equipment and accessories, photographic devices, optic and audiovisual devices and accessories, office machinery and equipment and other products connected with the above, especially those manufactured by the factories of the company Canon, Inc. of Tokyo and companies affiliated therewith;*
- 2. To participate financially, in whatever form, in commercial or industrial enterprises, especially in those directly or indirectly connected with a company belonging to the Canon Group;*
- 3. To carry out any commercial, financial and industrial operations or research directly or indirectly connected with the said object.”*

3.3 History and activities of the Bidder

3.3.1 Introduction

The Bidder was established in 1968 and is a 100% subsidiary of Canon, Inc. of Japan, a world-leading innovator in imaging products, technologies and solutions for the digital home and office.

Established in 1937, Canon, Inc. has grown into a global company operating in a diverse range of markets, including business solutions, consumer imaging, broadcast and communications, medical systems and industrial products. A continuous flow of ideas and innovation has kept Canon, Inc. at the forefront of its industry. In choosing products from the Bidder group, both businesses and consumers opt for reliable, stylish and advanced technologies. Canon, Inc. now employs over 190,000 people globally and is made up of 256 subsidiaries and affiliated companies. Canon, Inc. is listed on the Tokyo, Osaka, Nagoya, Fukuoka, Sapporo and New York stock exchanges.

The Bidder and its subsidiaries employ over 11,000 people and serve customers in more than 110 countries across Europe, Middle East and Africa. They contribute around one third of Canon, Inc.'s global revenue. Consolidated net sales for Canon, Inc. in Europe for the fiscal year 2011 were ¥ 1,113 billion (USD 14,270 million).

3.3.2 Bidder's milestones

- 2011 – Canon enters the motion picture production industry with the launch of the Cinema EOS System. Canon also enters the production photo printing market with the launch of the DreamLabo 5000 production inkjet printer;
- 2010 – Canon Europe hosts Canon EXPO 2010 Paris, an exclusive showcase of innovative solutions for today and for the future;
- 2009 – Canon celebrates 50-year anniversary of the SLR (Single Lens Reflex);
- 2007 – Canon Europe celebrates 50 years in Europe at Grimaldi Forum in Monaco;
- 2005 – Canon EXPO in Paris showcases Canon technology innovation which is shaping the way we do business and empowering imaging communication;
- 2004 – Canon Europe is the largest sales revenue earner in the Canon Group delivering about a third of the global revenue;
- 2001 – Canon Europe Ltd. is established in London as the strategic headquarters for Europe, working alongside the operational headquarters of Canon Europa N.V. in the Netherlands;
- 1990 – Canon Information Systems R&D Europe Ltd. (today, Canon Research France S.A.S) is established;
- 1987 – Canon Foundation is established to provide assistance for research in mutual understanding between Japan and Europe;
- 1983 – Canon Bretagne S.A. is established in France;
- 1972 – Canon Giessen GmbH, Canon's first European manufacturing site, is established in Germany;
- 1968 – Canon Business Machines Sales, Inc. and Canon Amsterdam N.V. (today, Canon Europa N.V.) is established ; and
- 1957 – Canon Europa, a sole European distributor, is established in Geneva.

3.3.3 Recent developments

- February 2012 – Canon Europa has strengthened its offering in the medical imaging arena by acquiring Netherlands-based medical solutions specialist Delft Diagnostic Imaging (**Delft DI**). Delft DI specialises in two business areas. The first area is innovative medical software solutions for sharing digital images and medical records. This business will become a future platform for the development of new healthcare ICT solutions, including Cross Enterprise Document Sharing for Imaging (XDSI)

solutions. The second area is digital X-ray imaging systems, systems integration and service of a wide variety of customised complete solutions for radiology departments. Delft DI has been an important distribution partner for Canon digital radiography systems for over ten years in the Netherlands and Belgium. Building on this partnership, where Delft DI already incorporates Canon digital radiography products in their services, this business will become a platform for developing future digital radiography services;

- December 2011 / January 2012 – Canon, Inc. acquired the ordinary shares held by Orbis Funds in Océ N.V., bringing Canon's ownership in Océ N.V. to 98.83% of the entire issued share capital. This percentage allowed Océ N.V. to delist from NYSE Euronext Amsterdam and Canon to initiate the squeeze-out procedure. On 16 January 2012, Océ N.V. announced the delisting as per 14 February 2012; and
- July 2009 – the Bidder acquired a 17% stake (314,790 shares) in the Target for approximately EUR 22 million. See also chapter 3.9.1 below (“Direct shareholding by the Bidder”) as of page 42.

3.4 Shareholders and capital structure of the Bidder

The Bidder is directly or indirectly wholly owned by Canon, Inc., a company duly incorporated and existing under the laws of Japan, with registered offices at 30-2, Shimomaruko 3-chome, Ohta-ku, Tokyo 146-8501, Japan.

The authorised capital of the company amounts to EUR 1,452,997,500 and is divided in 3,207,500 shares with a par value of EUR 453.

3.5 Governance structure of the Bidder

The Bidder has a board of directors, consisting of two directors Mr. R. Van Iperen (President and CEO, Canon Europe, Middle East and Africa), and Mr. P. Buenen (Director, Canon Europa N.V.).

The Bidder's supervisory board of directors consists of three members: Mr. F. Mitarai (Chairman and President and CEO, Canon, Inc.), Mr. T. Tanaka (Executive Vice President and Chief Financial Officer, Canon, Inc.) and Mr. A. Wakiya (Executive Officer and Deputy Group Executive, Canon, Inc.).

3.6 Statutory auditor of the Bidder

The statutory auditor of the Bidder is Ernst & Young accountants LLP, a limited liability partnership registered in England and Wales, having its registered office at 1 Lambeth Palace Road, London SE1 7EU, United Kingdom, with registered number OC335594 and having its principal place of business at Boompjes 258, 3011 XZ Rotterdam, the Netherlands, registered with the Chamber of Commerce (*Kamer van Koophandel*) of Rotterdam under number 24432944.

3.7 Financial information on the Bidder

The ordinary and consolidated financial accounts of the Bidder as of 31 December 2011 are included in the annual report of the Bidder as of 31 December 2011 attached as Annex 8.2.

3.8 Persons acting in concert with the Bidder

Only for the purposes of section 3, §1, 5°, a) of the Law on Takeover Bids, the Target and the Bidder are acting in concert as a result of entering into the support agreement dated September 18, 2012 pursuant to which the Board supports the Bid, as further detailed in Chapter 1.6 (“Support of the Target”) below. Therefore, this aforementioned cooperation between the Target and the Bidder does not, in any way, constitute a joint offer.

See also Chapter 3.9.3 below (“Shareholding by persons acting in concert with the Bidder”) as of page 35.

3.9 Shareholding in the Target

3.9.1 Direct shareholding by the Bidder

On the date of this Prospectus, the Bidder holds directly 314,790 Shares.

This stake held by the Bidder has been acquired through the Share Purchase Agreement and includes:

- 112,395 Shares previously held by Sofinim NV;
- 112,395 Shares previously held by Compagnie Nationale de Portefeuille SA; and
- 90,000 Shares previously held by Pierre De Muelenaere and Etienne Van de Kerckhove.

The closing of this transaction took place on 16 July 2009.

These acquisitions were realised at a price of EUR 70 per Share. However, in view of the fundamentally different economic, financial and market conditions at that time, the Bidder is of the strong opinion that there is no correlation between, or need to justify any difference between, the price paid for the 17% stake in the Target and the Bid Price.

Furthermore, the Bidder has not acquired any other Shares or any other Securities, be it through market purchases on NYSE Euronext Brussels, on any other market or multilateral negotiation system or otherwise during the last 12 months.

3.9.2 Shareholding by the persons affiliated to the Bidder

None of the persons or entities affiliated to the Bidder (within the meaning of section 11 of the Companies’ Code) holds any Shares or other Securities.

3.9.3 Shareholding by persons acting in concert with the Bidder

On the date of this Prospectus, the Target holds, directly and indirectly, 49,282 Shares.

The Target acquired, pursuant to a Share buy-back plan approved on 21 March 2012, 25,535 Shares for a total value of EUR 760,242 and an average purchase price of EUR 29.77. More information can be found in Chapter 4.7.2 below (“Treasury Shares”) as of page 40.

4. THE TARGET

4.1 Identification of the Target

The Target is Image Recognition Integrated Systems Group (abbreviated I.R.I.S.), a limited liability company (*société anonyme / naamloze vennootschap*) organised under Belgian law, having its registered office at rue du Bosquet 10, Parc Scientifique de Louvain-la-Neuve, 1435 Mont-Saint-Guibert, Belgium, filed with the Register of Legal Enterprises (*Registre des Personnes Morales / Rechtspersonenregister*) of Nivelles under number 0448.040.624.

4.2 Corporate purpose of the Target

Pursuant to article 3 of the Target's articles of association, its corporate purpose is as follows:

"to acquire an interest in any form whatsoever in other Belgian or foreign companies and any other form of investments, the acquisition by purchase, subscription or any other means as well as the sale, exchange or any other means of securities of any kind, the management, the control and development of these holdings.

[The Target] has in particular as purpose to acquire interests in all companies engaged in research, development, acquisition of intellectual property rights as well as the exploitation, manufacturing, and marketing of applications and equipments in the field of microelectronics, including the software and hardware (including the development of integrated and dedicated circuits and of specialized processes) for documents processing and image processing in general.

[The Target] may pursue any securities, real estate, financial, commercial and industrial operations related directly or indirectly to its corporate purpose.

[The Target] may be involved by contribution, merger, subscription or any other means in companies, associations or corporations which have a similar, related or pertinent corporate purpose to the achievement of all or part of the company's corporate purpose."

4.3 History and activities of the Target

The Target provides professional solutions to companies and administrations for managing electronic documents, information flows and IT infrastructure. The Target develops technologies and products and offers services in the fields of:

- **Intelligent document recognition** such as scanning and indexing paper documents, optical character recognition, automatic document classification, invoice recognition and data extraction, conversion to electronic documents in all formats, etc.;

- **document, content and process management** such as electronic document management, enterprise content management, digital workflows, legal archiving, etc.; and
- **optimised IT infrastructure** such as design, implementation and support of complex architectures, virtualisation and consolidation of servers and storage, etc.

The Target was founded in April 1987 and acquired by Pierre De Muelenaere and Pierre Rion in June 1992 through a management buy-out.

The Target expanded its business overseas in the late 90's, opening a U.S. subsidiary called I.R.I.S., Inc., and successfully introduced its products in Japan.

As of May 1999, the Target has been listed on the Brussels Stock Exchange (currently NYSE Euronext Brussels). From 2000 onwards, the Target continued its business expansion in Belgium and abroad, mainly through acquisitions.

Today, the Target has become an international leader in the fields of intelligent document recognition, document management and complex large scale IT projects. The Target licenses its various technologies to major companies active in the field of electronics, such as HP, Kodak, Samsung and Adobe. It distributes a comprehensive range of products in more than 50 countries. In 2009, the Target concluded a key partnership with the Bidder for the distribution of its products.

At the end of 2011, the Target Group employed more than 500 people, spread over its worldwide branches, and generated a yearly turnover of EUR 121.3 million.

4.4 Recent developments in the Target

For an overview of recent developments with respect to the Target, reference is made to the press releases published on the Target's website (<http://www.irislink.com/pressMaxiList.aspx?LangID=2&PageID=70&CountryID=48>).

- In August 2012, the Target published half year results. The gross margin reached EUR 29.7 million, even if revenues were significantly lower due to a decrease of the sales of hardware. Operating expenses decreased resulting in an 18.9% increase in EBITDA and a 37.8% growth of the net profit, up to EUR 1.6 million;
- On 20 July 2012, the Target announced the release of a new version of its flagship OCR software Readiris™ 14, enabling easier archiving and sharing and optimising business processes;
- From May 2012 until June 2012, the Target has announced various key distribution partnerships in the UK (with Interactive Ideas and Northamber), in South Africa (Esquire), in Eastern Europe (ABC Data), in Germany, Austria and Switzerland (Avanquest Software), in the Nordic Region (Deltaco), in Czech Republic (100 Mega) and in India (Aditya Infotech Ltd.). In addition to these distribution agreements, the

Target has also announced a partnership with Salumatics (a Canadian health information management company). The two partners will provide applications for automatic document classification, indexing of health records and other highly confidential patient information, and invoice processing;

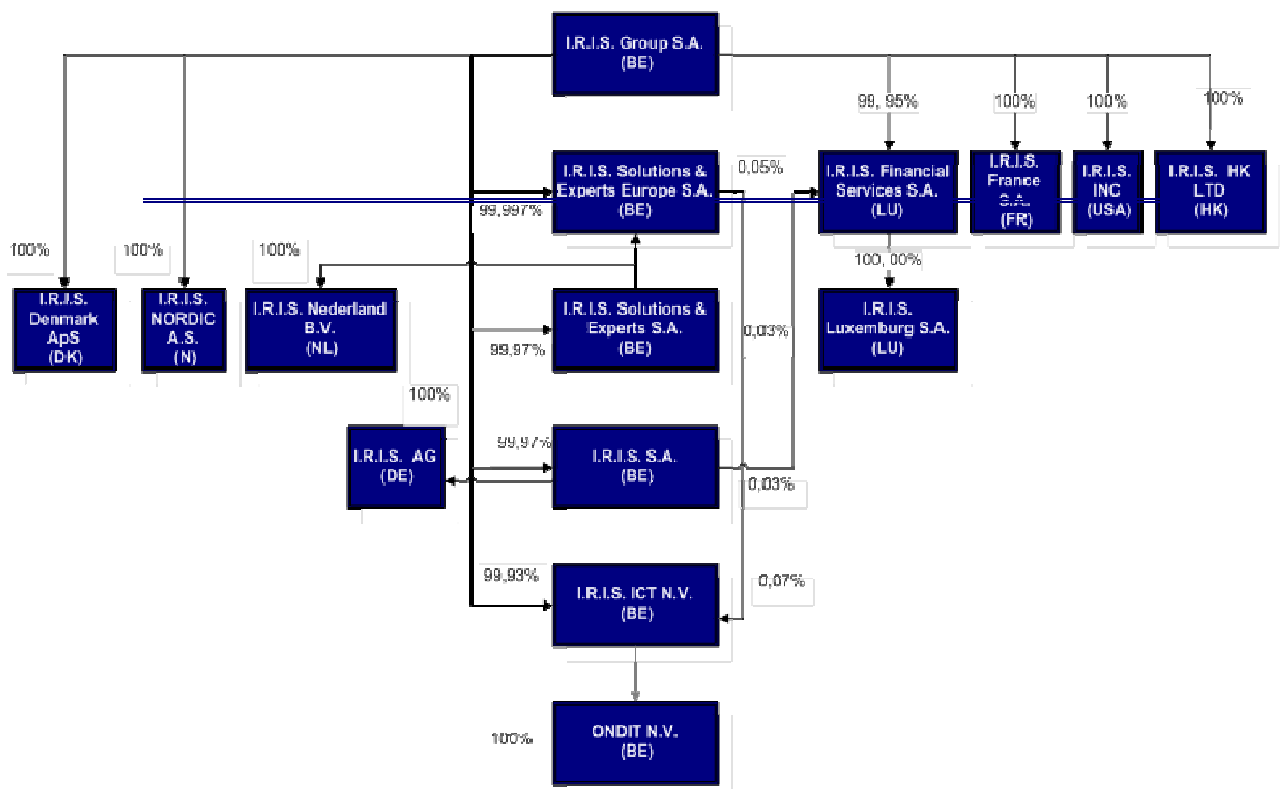
- On 5 April 2012, the Target announced the release of two brand-new IRISNotes™ smart digital pens: IRISNotes™ Express 2 and IRISNotes™ Executive 2;
- The annual report for FY 2011 was published in April 2012, confirming the payment of a dividend of EUR 0.70 per Share and the adoption of a Share repurchase plan running from 23 March 2012 to 8 October 2014. The 2011 results note an increase in turnover as compared to 2010 and a net income of EUR 3.7 million. The annual report also refers to the ongoing favourable development of the sales of enterprises solutions with Canon;
- In March 2012, the auditors confirmed the 2011 results the Target announced in February 2012. The Board proposed a dividend of EUR 0.70 per Share and adopted a Share repurchase plan for a maximum of 150,000 Shares or EUR 4.5 million. The Target also has a net cash position of EUR 13.2 million and undrawn credit facilities of EUR 13 million (committed) and EUR 1.5 million (uncommitted). The Target was also successful in closing a transaction with the European Commission, which allows the Target to increase the size of its team working for the European Union in 2012 by 20 new resources;
- In February 2012, the Target announced the trends of its 2011 results, consisting in sales of EUR 121 million and a gross margin of EUR 61 million. The Target also noted a positive development of the sales of corporate solutions with Canon in Europe;
- A trading update for the third quarter of 2011 was published on 17 November 2011. Further, the Target reported an expansion and strengthening of its international presence and a strong development in solutions for invoices and forms processing with new clients in a variety of business sectors;
- In August 2011, the Target published half year results for the professional solutions division. The gross margin reached EUR 29.6 million compared to EUR 27.3 million at the same period in 2010. The net profit grew by 45.1% up to EUR 1.2 million;
- On 13 July 2011, the Target announced the release of IRISNotes™ for smartphones, a revolutionary pen sending handwritten notes directly from paper into BlackBerry® or Android™ via Bluetooth;
- A trading update for the first quarter of 2011 was published on 19 May 2011;
- The Target announced the completion of the Target's mobile scanning portfolio with the release of IRIScan™ Book 2 on 17 May 2011;
- The annual results for FY 2010 were published on 24 March 2011, demonstrating an increase of sales by 16.1 % and net profit up 18.4 % versus the prior year;

- On 8 February 2011, the Target announced the integration of its technologies and advanced documents scanning and processing capabilities into uniFLOW 5.0 platform, enabling a tight integration of information workflows into companies' business processes; and
- On the same date, a preview of the annual results of FY 2010 was disclosed during the Target's annual customer convention "IRISLink 2011".

4.5 Target's group structure

I.R.I.S. is structured around two business segments: (i) I.R.I.S. Products & Technologies, which develops intelligent document recognition technologies and software packages and markets its portfolio of products around the world through strong partnerships, and (ii) I.R.I.S. Professional Solutions, which enables companies and public authorities to find innovative expertise and high-tech solutions for the efficient management of documents, information flows and IT infrastructures, through a single company.

I.R.I.S. holds 100% of all of its subsidiaries, which are related parties. All subsidiaries are fully consolidated. The organisation chart is as follows:



4.6 Shareholders' structure of the Target

As per 15 October 2012, based on statements made by virtue of the various regulations, the shareholders of the Target are as follows:

Name shareholder	Shares	% of Shares	Warrants and Stock Options
Canon Europa N.V.	314,790	16.9%	0
Raynive SA	81,446	4.4%	0
FIN.CO	62,398	3.3%	0
Oddo Asset Management	58,582	3.1%	0
Baillie Gifford Overseas Ltd.	55,733	2.9%	0
Pierre de Muelenaere	49,145	2.6%	8,500
Ackermans & Van Haaren NV	1,895	0.1%	0
Etienne Van de Kerckhove	0	0.0%	8,500
Other shareholders	1,241,083	66.5%	0
Total	1,865,072	100%	

4.7 Securities in the Target

4.7.1 Share capital

Pursuant to article 5 of the articles of association of the Target, the share capital of the Target amounts to EUR 38,774,902.12, represented by 1,865,072 Shares (including the Treasury Shares), fully paid up without nominal value and bearing the numbers 1 to 1,865,072.

The Bid relates to the 1,550,282 Shares which are not held by the Bidder (including 49,292 Treasury Shares), with coupon No 10 attached.

4.7.2 Treasury Shares

Pursuant to article 28 of the articles of association of the Target, the Board is entitled, from 8 October 2009 up to 8 October 2014, to buy back, by means of purchase or exchange, a maximum of 369,000 Shares at a maximum price equal to the average of the closing price of the Shares during a period of twenty Business Days immediately preceding the date of said purchase or exchange, increased with 20%. During the period from 8 October 2009 until 8 October 2014, the Board may also sell these Shares, by means of sale or exchange, at a minimum price equal to the average of the closing price of the Shares during a period of twenty Business Days immediately preceding the date of said sale or exchange, decreased with 20%.

On 21 March 2012, the Board approved a Share buy-back plan for a maximum of 150,000 Shares or a maximum amount of EUR 4.5 million during the period from 23 March 2012 to 8

October 2014. The objective of the plan is (i) to reduce the number of Shares in circulation and, consequently, improve the remuneration of the holders of Shares, and, secondarily, (ii) to have some Shares available for stock option plans.

When announcing its half year 2012 results on 23 August 2012, the Target announced that it had already repurchased 25,535 Shares, amounting to EUR 760,242 and an average purchase price of EUR 29.77.

The plan is implemented in compliance with sections 205 to 208 of the Royal Decree of 30 January 2001 implementing the Companies' Code and the Royal Decree of 5 March 2006 concerning market abuses and EC Regulation No 2273/2003. In addition, the number of Shares purchased during a session must not exceed 25% of the average daily transaction volume for the Share on NYSE Euronext Brussels over the 20 sessions prior to the date of each purchase.

The Target has immediately stopped the implementation of this Share buy-back plan as soon as it has been informed of the possible intentions of the Bidder within the framework of the Offer.

On the date of this Prospectus, the Target holds 30,615 Treasury Shares, with coupon No 10 attached. The Target's subsidiary, I.R.I.S. Solutions & Experts holds 18,677 Treasury Shares, with coupon No 10 attached. The Bid also relates to these 49,292 Treasury Shares held by the Target and its subsidiaries.

Furthermore, pursuant to article 28 of the articles of association of the Target, the Board is entitled, from 31 January 2012 up to 31 January 2015, in accordance with article 620, §1, subsections 3 and 4, subsection 1, 2° of the Belgian Companies' Code, and within the limitations provided for by the law, to purchase, exchange and/or to sell, on the stock market or otherwise, Treasury Shares in the Target to prevent the Target from an imminent major inconvenience.

4.7.3 Authorised capital

Pursuant to article 5 of the articles of association of the Target, the Board is entitled, from 8 October 2009 up to 8 October 2014, to increase, in one or more occasions, the Target's share capital by EUR 38,000,000. This authorisation covers capital increases in cash or in kind, by incorporation of reserves, the issue of convertible bonds, equity redeemable bonds, subscription rights or other securities that ultimately entitle the holder to receive Shares.

Furthermore, pursuant to article 5 of the articles of association of the Target, the Board is expressly entitled, from 9 January 2012 up to January 2015, and upon receipt of a notification by the FSMA relating to a public takeover bid, to increase, in one or more occasions, the Target's share capital, by means of a contribution in cash, without respecting the preferential rights of the other holders of Shares and to the benefit of certain specific holders of Shares,

being or not being a member of the personnel of the Target or any of its subsidiaries, or by way of a contribution in kind in accordance with the applicable law.

Following an agreement between the Target and the Bidder dated 18 September 2012, the Target agreed to procure that the Board will not increase the Target's share capital pursuant to article 5 of the Target's articles of association.

4.7.4 Warrants and Stock Options

On the date of this Prospectus, the Target has issued 44,000 outstanding Warrants and 27,000 outstanding Stock Options to staff members. The Target has issued various Stock Option plans in 2005, 2007 and 2011.

- Horizon 2009 Stock Option plan

This Stock Option plan was initially adopted in April 2005, and relates to 12,500 Shares. The exercise price is EUR 25.11. The plan was supposed to expire on 31 December 2009. However, on 17 April 2009, the Board approved the extension of the exercise period for a further 5 years. The final date for the exercise of the Stock Options is 31 December 2014.

- Horizon 2011 Stock Option plan and Horizon 2011 Warrants plan

This Stock Option plan was approved in 2007. The Target decided to issue 30,500 Stock Options, mainly to executive directors and regular contractors of the Target's group companies, enabling them to buy existing Shares if the Stock Option was exercised. In addition, the Target also decided to issue 21,500 Warrants, each giving entitlement to subscribe for one Share. These Stock Options and Warrants were/are exercisable (i) for a third of the total number allotted to the beneficiary, as from 1 March 2010, (ii) for an additional third, as from 1 March 2011, and (iii) for a final third, as from 1 March 2012 and at the latest on 31 December 2012. Such exercises are on condition that, at the time of exercise, the holder has been linked to the Target or one of its subsidiaries by an employment contract, a term of office or another form of service contract without interruption since the allocation of the Warrant or Stock Option, as well as certain performance conditions for certain beneficiaries. On 17 April 2009, the Board approved the extension of this exercise period for a further 5 years, within the limits provided for by the law. The Stock Options and Warrants may be exercised before 31 December 2017, from 1 to 15 April, 1 to 31 July and 1 to 15 November. All Stock Options and Warrants not yet exercised may be exercised from the 20th day up to the 5th day preceding 31 December 2017.

The exercise price is EUR 42.18.

- Horizon 2015 Stock Option plan

In 2011, the Board decided to issue 35,000 Warrants, each giving entitlement to subscribe for one Share. The offer was accepted for a volume of 30,000 Warrants. Consequently, 30,000 Warrants were issued under this plan at an exercise price of EUR 36.23. These Warrants can be exercised in July of each year or during the first 15 days of November of each year, as from July 2015 to 15 November 2020. Exercise is on the condition that, at the time of

exercise, the holder has been linked to the Target or one of its subsidiaries by an employment contract or another service contract continuously since the allocation of the Warrants.

The Bid also relates to the 44,000 Warrants and 27,000 outstanding Stock Options that are outstanding under the aforementioned plans on the date of this Prospectus.

4.7.5 Other securities with voting rights or giving access to voting rights

On the date of this Prospectus, the Target has not issued any securities with voting rights or giving access to voting rights, other than the Shares, the Warrants and the Stock Options referred to in Chapters 4.7.1 and 4.7.4 above.

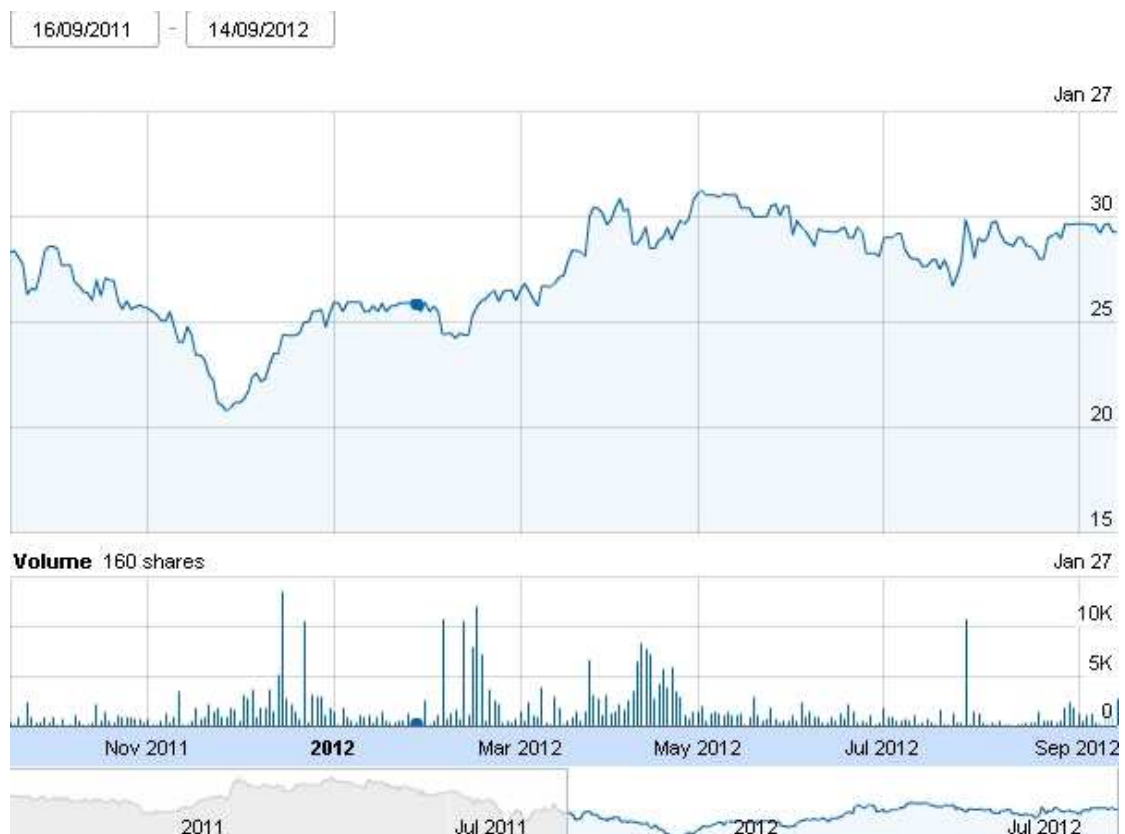
4.7.6 VVPR Strips

On the date of this Prospectus, the Target has issued 1,240,072 VVPR Strips.

The Bid does not relate to the 1,240,072 VVPR Strips issued by the Target. The Bidder does not assume any liability in relation to the loss of value, if any, and for any reason whatsoever, related to the VVPR Strips.

4.8 Fluctuation of the Target's Share price on NYSE Euronext Brussels

The below graph illustrates the evolution of the Target's Share price on NYSE/Euronext Brussels between 16 September 2011 and 14 September 2012:



4.9 Governance structure of the Target

4.9.1 Board

The Board is composed of the following persons:

- Pierre De Muelenaere (President of the Board and CEO)

President and CEO, Pierre De Muelenaere was born on 25 October 1958 in Brussels, Belgium (Belgian citizen). In 1981, he graduated as a civil engineer in Microelectronics from the *Université Catholique de Louvain (la plus grande distinction)* and received his PhD in 1987. During his PhD, he designed and manufactured a complete prototype of a revolutionary OCR machine based on a new full-custom programmable integrated circuit for image recognition and the associated software. He founded the Target in 1987 to commercialise the results of his PhD thesis with the help of Jean-Didier Legat, a fellow Phd (who went back at the UCL in 1989, as a professor) and Ackermans & van Haaren, a Belgian financial holding. In the first years of the Target, Pierre De Muelenaere was Vice-President of R&D. He has been acting as CEO of the Target since 1991. Pierre is the chairman of the Board, President of the Strategic Committee of the Target and a major shareholder of the Target since the management buy-out of the Target by Pierre Rion and Pierre De Muelenaere in 1992. Pierre De Muelenaere has more than 20 years of experience in the imaging field and has accumulated a very solid experience in setting up international partnerships with U.S. and Asian companies (HP, Kodak, Adobe, Fujitsu, etc.), company management and R&D management. Pierre De Muelenaere received the "2001 Manager of the Year" award, which is the most respected management award in Belgium. The Target received the "2002 Entrepreneur of the year" award.

- Etienne Van de Kerckhove (Managing Director)

Managing Director, Etienne Van de Kerckhove was born on 23 December 1963 in Belgium (Belgian citizen). In 1987, he obtained a degree of Management Engineer (*Ingénieur commercial, cum maxima laude*) from the *Ecole de Commerce Solvay (Université Libre de Bruxelles)* and in 1996 a Master in Tax Management (*cum magna laude*) from the *Université Libre de Bruxelles*. In 1989, Etienne Van de Kerckhove founded StratEFI, a tax, accounting and financial consultancy company for small and medium-size businesses. He joined the Board as a director in 1992, and in 1999 he joined the Target on a full-time basis after its IPO. Etienne Van de Kerckhove was co-CEO of the Target from 2000 to 2011, and he is currently Managing Director. Etienne Van de Kerckhove has played a major role in the IPO in 1999, the set-up of the development strategy of the Target and the management of the merger and acquisitions processes since then.

- Pierre Sonveaux (independent and non-executive director)
- Gérard Constant (independent and non-executive director)
- Michel Claus (independent and non-executive director)

- Jean-Louis Grégoire (non-executive director)
- Thierry Marchandise (non-executive director)

The mandates of the above-mentioned directors will expire on 19 May 2015.

Jean-Louis Grégoire and Thierry Marchandise have been appointed director in the Target following the Bidder's acquisition of its current stake in the Target on 16 July 2009, and represent the Bidder on the Board.

For the avoidance of any doubt, although the Bidder has two directors on the Board, the governance provisions contained in the Share Purchase Agreement dated 14 July 2009 are such that the Bidder does not, and cannot, control the Board. Further, these directors have not been involved, and will continue not to be involved, in any part of the Bid process, be it on the side of the Target or on the side of the Bidder or the group to which it belongs.

4.9.2 Daily management

Pierre De Muelenaere and Etienne Van de Kerckhove are managing directors of the Target.

4.9.3 Strategic committee

The members of the strategic committee are high-level skilled professionals who have accumulated an important international experience in the fields of imaging, intelligent document recognition, document management and implementation of large scale systems.

The strategic committee is composed of:

- Pierre De Muelenaere
- Denis Hermesse
- Gamal Khaldi

4.9.4 Audit committee

The audit committee's statutory role is to assist the Board in maintaining the Target's financial integrity by supervising its financial reporting, internal and external audits, internal controls and the financial relationship between the Target and its shareholders. The members of the audit committee have full investigative powers to fulfil their supervisory role. Indeed, their investigative powers are identical to those vested by law in a statutory auditor.

The audit committee is composed of:

- Pierre Sonveaux (president)
- Michel Claus (member)
- Gérard Constant (member)

4.9.5 Remuneration committee

The remuneration committee's statutory mission is to assist the Board in determining the remuneration and fees of the Target's senior executives (chairman, CEOs, general managers and employees reporting directly to them).

The remuneration committee is composed of:

- Gérard Constant (president)
- Thierry Marchandise (member)
- Michel Claus (member)

4.9.6 Corporate governance

On 17 March 2006, the Board has adopted a Corporate Governance Charter, which has been amended on 28 January 2008 and on 1 April 2011. The Corporate Governance Charter can be accessed online at: <http://www.iriscorporate.com/c2-33-17/I-R-I-S---Corporate-governance.aspx>.

4.9.7 Voting right limitation

Article 24 of the articles of association of the Target provides as follows:

"Each security carries one vote.

However, no shareholder can participate in a vote at a shareholders' meeting for more than ten (10) percent of the number of voting rights relating to all securities issued by the company, whether they represent the capital or not. For the purposes of calculating this threshold of ten (10) percent, securities held by the shareholders acting in concert or acting as intermediaries of other shareholders or securities held by shareholders who are linked to each other by any kind of agreement regarding the exercise of the voting rights, must be added up. Similarly, shareholders that are considered to be "companies affiliated to a company", "persons affiliated to a person", "associated companies" or "companies with which a participating link exists" within the meaning of section 11 to 14 of the Company Code cannot participate together in the vote in a shareholders' meeting for more than ten (10) percent of the number of voting rights relating to all securities issued by the company, whether they represent the capital or not. Holders of bonds, holders of a warrant or holders of certificates issued with the collaboration of the company can participate in shareholders' meetings, but only with a consultative vote."

The amendment of this article of the Target's articles of association, with a view to removing the 10% voting rights cap, is a condition precedent to the Bid (subject to all other conditions of the Bid being fulfilled or waived in accordance with the terms and subject to the conditions

of the Bid as announced in the notice published by the FSMA on 18 September 2012). This amendment has been effected on 29 November 2012, on the occasion of an extraordinary shareholders' meeting of the Target. Publications relating to this extraordinary shareholders' meeting are available on the website of the Target on: <http://www.iriscorporate.com/c2-39-17/I-R-I-S---Financial-agenda.aspx>.

4.10 Statutory auditor of the Target

The statutory auditor of the Target is Ernst & Young Réviseurs d'Entreprises, a civil company having taken the legal form of a co-operative limited liability company (*société civile sous forme d'une société coopérative à responsabilité limitée / burgerlijke vennootschap onder de vorm van een coöperatieve vennootschap met beperkte aansprakelijkheid*) organised under the laws of Belgium, with registered office at De Kleetlaan 2, 1831 Diegem (Belgium), filed with the Register for Legal Entities of Brussels under number 0446.334.711, represented by its permanent representative Marie-Laure Moreau, registered as an auditor (*réviseur d'entreprise/ bedrijfsrevisor*).

4.11 Financial information on the Target

The Target's financial accounts as of 31 December 2011 have been established according to the applicable Belgian accountancy regulations, and on a consolidated basis according to IAS/IFRS regulations.

The consolidated accounts as of 31 December 2011, as approved in draft form by the Board and certified by the statutory auditor of the Target, and subsequently approved by the 2012 annual shareholders' meeting of the Target, the interim consolidated financial statements of the Target as of 30 June 2012, as well as the press release issued by the Target on 5 February 2013 on the trends for the financial year 2012 are attached hereto as Annex 8.3.

All the Target's financial information is available in English and in French on the website of the Target on <http://www.iriscorporate.com/c2-18-17/I-R-I-S---Annual-Report.aspx>.

5. OBJECTIVES AND INTENTIONS OF THE BIDDER

5.1 Business rationale of the Bidder

Based on the close strategic partnership between the Bidder and the Target of the last years, the Bidder's rationale is to bring the Target directly into its group in order to be able to serve its customers better with end-to-end office solutions in the business environment. The Bid is part of the Bidder's plan to develop a range of technology solutions that complement the Bidder's current world class solutions and the development of consultancy based sales approach.

5.2 Objectives and intentions of the Bidder

5.2.1 Objectives of the Bidder

The Bidder has a long standing strategy to offer its customers end-to-end office solutions in the business environment. During the close strategic partnership between the Bidder and the Target, the Bidder has been impressed with the Target's innovative technology and its broad range of solutions in the office market. The Bidder therefore believes that there is a strong strategic fit between both companies, and also believes that an increased alignment of their products and technologies would benefit both parties.

A successful Bid, and the ensuing full ownership of the Target by the Bidder, will allow both companies to cooperate more closely on finding innovative solutions to the problems faced by their customers than is currently the case. As such, the Bid fits with the Bidder's plan to develop a range of high-end technology solutions that complement its current world class products and to develop a consultancy based sales approach. This will also allow the Bidder to support the continued growth of the Target's business in the current challenging European and global economic conditions.

5.2.2 Intentions of the Bidder

Following successful completion of the Bid, the Bidder currently intends to continue to operate and develop the Target's existing business as a stand-alone company within the Bidder's group, in close cooperation with current management and in the same way as the Bidder has managed the relationship with other companies acquired for their technology. This would allow the Target to keep its focus on high-quality product development while continuing to offer a broad range of professional solutions. There are no current intentions to change the existing strategic partnership whereby the Bidder and the Target sell each other's products to their own customers, or to request the Target to change current relationships with its partners and customers. The Bidder will work closely with current management of the Target to safeguard these important business relationships.

The Bidder has a strong balance sheet with a considerable cash position. According to the Bidder's zero external loan policy, there is no intention to change the leverage position of the Target significantly. On the contrary, the Bidder's financial strength is likely to result in an even higher level of security for the Target and its employees, especially in the current challenging economic climate. The Bidder is, in principle, able to provide faster, easier and more secure access to financing as compared to current debt or equity markets.

Despite the above explanation, it is, on the date of this Prospectus and in view of the challenging economic climate, not possible to anticipate the synergies contemplated, or to provide information on the approximate amount and date of economic gains that could be expected from the Bid. Any estimate of the financial impact of the benefits resulting from the integration of the Target into the Bidder would be premature and would be inherently unreliable in view of the operational risks and costs borne by the Bidder in seeking to realise them.

In terms of employment, the Bidder intends to retain the skills and experience of the Target's personnel. On the date of the Prospectus, the Bidder does not anticipate any substantive change in work force or employee working conditions. Moreover, becoming a part of the Bidder's group may also offer possibilities of professional development for suitable employees in Belgium and internationally.

5.3 Support of the Target

On 18 September 2012, the Bidder and the Target reached an agreement in relation to a number of matters concerning the Bid. Such agreement provides, amongst other matters and subject to certain conditions relating to its termination (*i.e.* termination or withdrawal of the Bid, termination by the Bidder, termination on rival bid becoming or being declared wholly unconditional), the following:

- undertaking by the Target to procure that the Board will support the Bid, subject to any fiduciary duties the Board may have;
- undertaking by the Target to tender the Treasury Shares to the Bidder under the Bid at the Bid Price, upon the terms and subject to the conditions of the Bid;
- undertaking by the Target to agree on a common communication strategy in close cooperation with the Bidder, and not to issue any press releases or any other form of public statement related to the Bid, or having directly or indirectly an impact on the Bid (including the Bid Price), without the prior written approval of the Bidder;
- undertaking by the Target that the members of the Board will tender their Securities to the Bidder under the Bid at the Bid price, upon the terms and subject to the conditions of the Bid;
- undertaking by the Target that it shall not, and that the members of the Board shall not, acquire any further Securities;

- undertaking by the Target to procure that the current CEO of the Target shall extend the duration of his current management agreement with the Target, prior to the end of the Initial Acceptance Period of the Bid, for a minimum period of 3 years starting as from the completion of the Bid;
- undertaking by the Target that it will not solicit any third party to analyse, organise or otherwise initiate a potential takeover bid, merger, or any other operation that would relate to a transfer (in the broadest sense possible) of all or a significant part of the Shares, subject to any fiduciary duties that the Board may have;
- undertaking by the Target to procure that the Board will not increase the Target's share capital by application of article 5 of the articles of association; and
- undertaking by the Target to pay a break-up fee to the Bidder in the event of a successful solicited or unsolicited (hostile) counterbid up to a maximum amount of EUR 1.4 million.

5.4 Benefits for the Target and the Security Holders

The Bidder believes that the drivers for the Bid and the intentions for the Target set forth in Chapter 5.2 above are in the best interest of the Target.

The most important benefits of the Bid for the Security Holders are the Bid Price (including the possibility to obtain a premium) and the access to liquidity.

6. TERMS AND CONDITIONS OF THE BID

6.1 Nature and purpose of the Bid

The Bid is a voluntary conditional bid made pursuant to Chapter II of the Royal Decree on Takeover Bids. The Bid is in cash.

The Bid relates to the totality of the 1,550,282 Shares, which are not held by the Bidder (including 49,292 Treasury Shares), 44,000 Warrants (including if such Warrants will be exercised and converted into Shares during the Initial Acceptance Period) and 27,000 Stock Options issued by the Target. The Bid does not relate to the 1,240,072 VVPR Strips issued by the Target.

The Bid will also extend to any new Shares that would be issued by the Target prior to the end of the Initial Acceptance Period as a result of the exercise of Warrants issued by the Target that are outstanding on the day prior to the announcement of the Offer.

6.2 Conditions to the Bid

The Bid is subject to the following conditions precedent:

- (i) the holding, by the Bidder, of at least 90% plus one of the Securities granting voting rights on a fully diluted basis at the end of the Initial Acceptance Period of the Bid;
- (ii) the Bid shall not be subject to review by any governmental authority regulating anti-trust, competition or merger control matters in any jurisdiction beyond the initial phase of review for the applicable jurisdiction (which, by way of example, for the purposes of Belgium shall mean – in circumstances where the simplified procedure does not apply – any review beyond the initial 40 Business Days review period provided by the law following the submission of a complete notification), and no conditions shall be imposed in any decisions taken during such initial review periods approving the Bid, within the meaning of section 4 of the Royal Decree on Takeover Bids;
- (iii) the amendment of article 24 of the articles of association of the Target (subject to all other conditions of the Bid being fulfilled or waived in accordance with the terms and subject to the conditions of the Bid), with a view to removing the 10% voting right cap limitation, at the extraordinary shareholders' meeting of the Target; and
- (iv) the non-occurrence, at any time after the Announcement Date of the Bid and prior to the date of announcement of the results of the Initial Acceptance Period (both dates included), of any of the following events beyond the Bidder's control:
 - (a) any fact, circumstance or omission by the end of the Initial Acceptance Period causing, or reasonably capable of causing (in the latter case insofar as this probability is confirmed by an independent expert), solely or jointly with any

other fact, circumstance or omission, a negative impact of more than EUR 5 million (after taxes) on the Target's consolidated net assets or more than EUR 3 million on the Target's consolidated EBIT (*résultat opérationnel / bedrijfsresultaat*) (regardless of whether such fact, circumstance or omission has had an impact on the Target's stock market value); and/or

- (b) a reduction of the closing quote of the BEL-20 index of more than 10% compared against the closing quote of the BEL-20 index on the date preceding the Announcement Date. However, any decision by the Bidder to maintain the Bid during a period in which the closing quote of the BEL-20 index has temporarily been reduced by more than 10% compared against the closing quote of the BEL-20 index on the date preceding the Announcement Date, does not affect the Bidder's right to invoke the condition and thus withdraw the Bid (even though the Bidder cannot invoke the previously mentioned reduction anymore) if the closing quote of the BEL-20 index would again be reduced by more than 10% compared against the closing quote of the BEL-20 index on the date preceding the Announcement Date, and this, until all other conditions precedent to the Bid have been fulfilled.

The above conditions precedent are provided exclusively for the benefit of the Bidder, who reserves the right to waive any of them in whole or in part. If any of the above conditions precedent are not met, the Bidder will announce its decision whether or not to waive such unmet condition(s) at the time of announcement of the results of the Bid following the Initial Acceptance Period, possibly extended, at the latest (currently expected to be on 26 March 2013).

Article 24 of the articles of association of the Target as set forth under Chapter 6.2(iii) has been amended on 29 November 2012 on the occasion of an extraordinary shareholders' meeting of the Target (subject to the fact that all other conditions of the Bid being fulfilled or waived in accordance with the terms and subject to the conditions of the Bid).

6.3 Bid Price and justification

6.3.1 Shares

The Bidder offers EUR 44.5 in cash for each Share (including each Treasury Share).

The Bidder has retained the following valuation methods to determine the price per Share offered under the Bid:

- historical price performance of the Share;
- premiums observed in historic Belgian takeover bids;
- target Share prices of equity research analysts;
- trading multiples of comparable quoted companies;

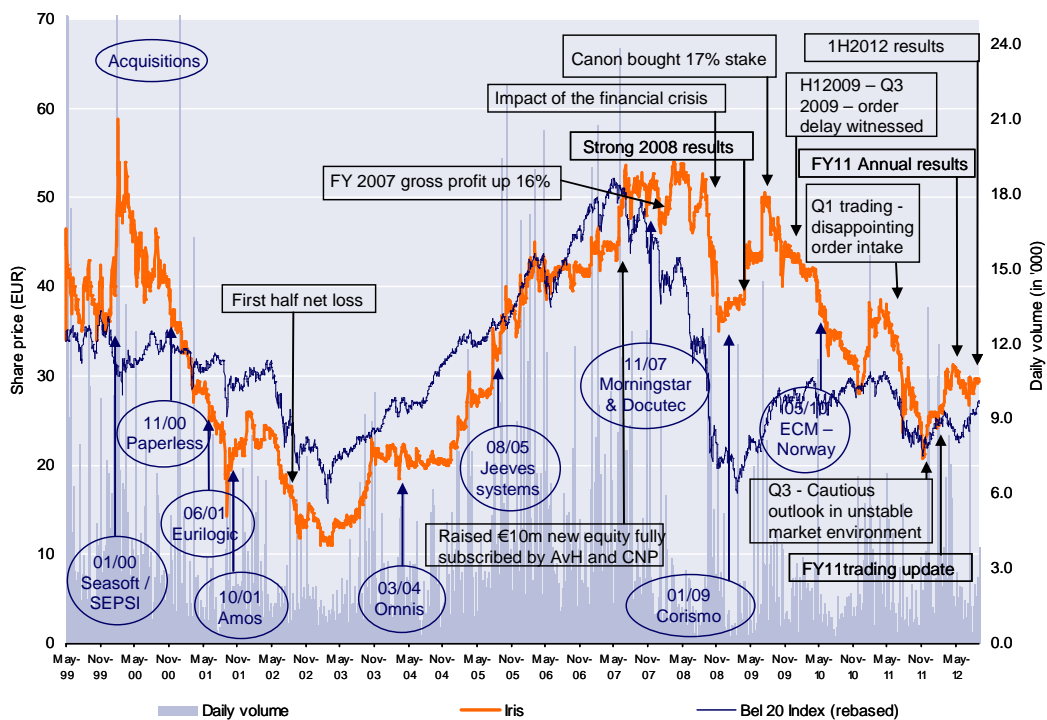
- transaction multiples for comparable transactions; and
- Discounted Cash Flow method.

These valuation methods are each discussed in more detail below.

6.3.2 Historical price performance of the Shares

The Target was floated on NYSE/Euronext Brussels in May 1999, following the initial public offering at EUR 34 per Share. The following graph shows the evolution of the Share price since the Target's IPO compared to the BEL-20 Index and the main news regarding the Target during the same period.

Graph 1: Share price development since IPO (from 17 May 1999 to 18 September 2012)



Source: ThomsonOne per 19 September 2012 and the Target website

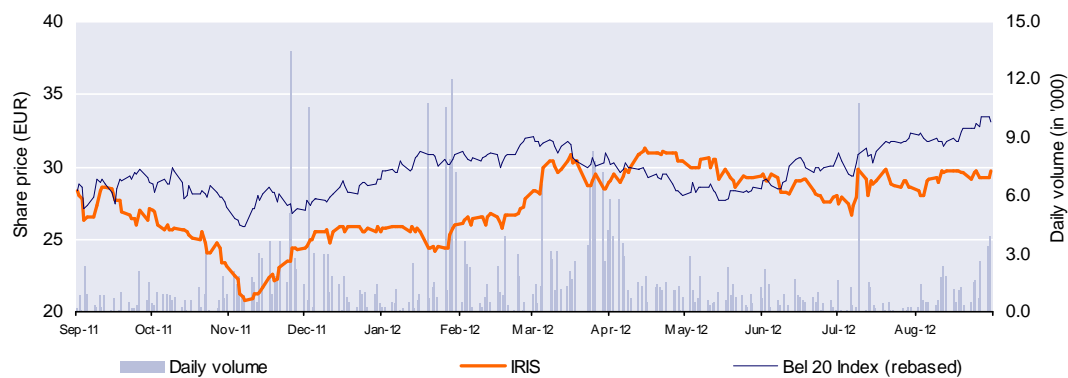
As shown in Graph 1, the Share price peaked at EUR 58.9 in February 2000, before being severely impacted by the TMT³ crisis in early 2000, putting the Share price down to EUR 11.1 in May 2003. The Share price gradually recovered up to EUR 54 in April 2008. In July 2009, the Bidder acquired a 17% stake in the Target, which led to a sharp increase in the Share price (an increase of over 15% was witnessed on the day of the announcement). Over 2009

³ Technology-Media-Telecom

and 2011, the Company's organic revenue growth and profitability revealed to be vulnerable for the overall economic climate. As a result, the profitability decreased over time as (i) the share of lower margin professional solutions' business increased, (ii) the revenues included a growing share of lower-margin hardware versus a decreasing share of higher-margin software, (iii) the Target experienced growing personnel costs and larger expenses in R&D (which were partially capitalised), and (iv) reduction in order size of big clients. During 2011, the Target implemented a large reorganisation plan intended to generate significant savings in the coming years. The Target outperformed the BEL-20 index since its IPO (Share price return of -12.6% since IPO versus a -20.9% performance of the BEL-20 index). Even so, the Target has distributed an aggregate gross dividend of EUR 4.99 per Share since the IPO.

The following graph shows the evolution of the Share price over the last 12 months compared to the BEL-20 Index.

Graph 2: Share price development from 19 September 2011 to 18 September 2012



Source: Thomson One per 19 September 2012 and the Target website

As shown in Graph 2, the Share price evolution since 19 September 2011 (relates to the 12-months period prior to the Announcement Date) has been driven by trading updates of the Target showing mixed trends and other company announcements. Overall the Share price performance was below the BEL-20 Index (Share price return of 4.7% versus a 16.6% performance of the BEL-20 index). The maximum Share price over the last 12 months amounted to EUR 31.3 on 3 May 2012. It should be noted that since this Share price peak, a EUR 0.7 gross dividend has been paid to the holders of Shares. The recent Share price history has been driven by the following news flow:

- 17 November 2011: In a difficult economic environment, the Target announced a mixed trend in results. Although the products and technology showed good sales of the recently introduced consumer and small office products, the professional solution business was impacted by the bad general economic situation in Europe.
- 15 February 2012: The Q4 trading update only revealed high-level figures in relation to sales and gross margin. Both metrics achieved a record level, but, actually, the

sales figures only showed 0.5% growth versus full last year and a sharp sales decrease over H2 2011 versus H2 2010 (decrease in sales of >20%).

- 28 February 2012: The Target announced the release of the first-ever generator of compressed pdf files, however, no details were provided as to the revenue or profit potential of this product going forward.
- 22 March 2012: Release of FY2011 figures revealing record sales and gross margin and a net profit of EUR 3.7 million. The Target also announced an improvement of the pay-out policy (from 25% to 35% of the net result), as well as a Share buy-back plan (maximum 150,000 Shares or a maximum amount of EUR 4.5 million by October 2014).
- April 2012: Announcement of the release of the IRISNotes™ 2 product family and partnership with BIWING, however, no details were provided as to the revenue or profit potential of this product and partnership going forward.
- 15 May 2012: Update on Q1 trading showing figures in line with management expectations and order backlog at the same level as the previous year. As usual, results in the second half of the year will be decisive. Approval of the EUR 0.7 per share dividend (payment date: May 31st, 2012).
- May 2012: Partnership with Interactive Ideas, expansion of the sales presence in South Africa, “*Entreprise innovante*” qualification obtained in France, however, no details were provided as to the revenue or profit potential of these events going forward.
- June 2012: Entrance in 10 Central and Eastern European markets with ABC data, expansion of sales presence in DACH and in the UK, rising activities in the Nordic region, new contracts with Czech distributor 100 Mega, Union Nationale des Mutualités Socialistes and Aditya in India, IRISNotes™ 2 awarded “Best Tablet Accesory” at MedPi Iberia, however, no details were provided as to the revenue or profit potential of these events going forward.
- July 2012: New version of OCR software Readiris™ 14, however, no details were provided as to the revenue or profit potential of this product going forward.
- August 2012: Partnership with Salumatics, however, no details were provided as to the revenue or profit potential of this partnership going forward.
- 23 August 2012: Announcement of 2012 H1 figures showing gross margin in line with previous year, even if revenues were significantly lower due to the decrease of the sales of hardware (-32.6%). Operating expenses decreased resulting in a 18.9% increase in EBITDA and a 37.8% growth of the net profit.

The Target cannot be more precise about the commercial impact of the operations mentioned above at this stage of the Bid process. As the Target is listed on Euronext Brussels, it is assumed that the Share price is a relevant measure to assess the Bid Price per Share. However, the average daily traded volume amounted to 1,576 Shares over the last year (only

32.5% of the free float⁴ Shares being traded during a full year), reflecting the fairly low liquidity provided to the holders of Shares.

Table 1 shows the lowest, the highest, the average prices and the volume weighted average prices of the Shares over a number of historical trading periods until 18 September 2012.

Table 1: Share price evolution and Bid premiums/discounts over specific periods								
Period	Share price				Premium/(Discount)			
	Low	High	Average	Weighted average	Low	High	Average	Weighted average
Period until 18 September								
18 September 2012			29.7				49.8%	
Last week	29.3	29.7	29.4	29.4	52.1%	49.8%	51.2%	51.1%
Last month	28.0	29.7	29.3	29.4	58.9%	49.8%	52.1%	51.5%
Last 3 months	26.7	29.8	28.8	29.1	66.7%	49.1%	54.5%	52.8%
Last 6 months	26.7	31.3	29.3	29.5	66.7%	42.4%	51.7%	51.0%
Last 9 months	24.2	31.3	28.2	27.9	83.7%	42.4%	58.1%	59.4%
Last 12 months	20.8	31.3	27.4	27.1	114.0%	42.4%	62.6%	64.1%
<i>Source: ThomsonOne</i>								
<i>Note : All calculations are based on daily closing prices and the weighted average represents the volume weighted average Share price using daily closing prices and daily traded volumes.</i>								

The figures in Table 1 show that the Bid Price per Share represents a premium:

- to the price on 18 September 2012 (*i.e.* day of the Announcement Date) of 49.8%.
- to the average Share prices over the last week prior to 18 September 2012 of 51.2%.
- to the average Share price over the last month prior to 18 September 2012 of 52.1%.

⁴ The free float has been determined as the total outstanding Shares less the Shares held by the Target, less the Shares held by the Bidder, less the Shares held by the shareholders who have notified their shareholding and amounts to approximately 1,273,000 shares. According to article 7 of the Target's articles of association (and as referred to on the Target's corporate website), the following transparency thresholds apply:

- 3% Threshold for first notification of shareholding
- 5% Threshold for statutory declaration
- 10% Threshold for statutory declaration
- 15% Threshold for statutory declaration
- 20% Threshold for statutory declaration
- Etc.

- to the average Share price over the last 3 months prior to 18 September 2012 of 54.5%.
- to the average Share price over the last 6 months prior to 18 September 2012 of 51.7%.
- to the average Share price over the last 9 months prior to 18 September 2012 of 58.1%.
- to the average Share price over the last 12 months prior to 18 September 2012 of 62.6%.

These figures show that the Bid Price per Share represents premiums compared to the volume weighted average Share prices of 51.0% up to 64.1% depending on the reference period observed. Furthermore, it should be noted that the holders of Shares received a gross dividend of 0.7 EUR per Share on 31 May 2012.

In addition to a premium to historical prices, the Bid provides liquidity to the holders of Shares. Considering the low trading volumes, 2 years ago (28.5% of the free float Shares being traded), 3 years ago (18.1% of the free float Shares being traded) and 4 years ago (23.6% of the free float Shares being traded), it would take approximately 4 years for the free float to turn over.

6.3.3 Premiums observed in historic public takeover bids

The table below provides an overview of premiums offered in all public takeover bids on Belgian companies listed on NYSE Euronext Brussels over the past decade.

Table 2: Bid premiums observed in historic Belgian public takeover bids

Date	Bidder	Target	Premium to share price		
			1 day prior	One month average	Three months average
16-09-02	Ackermans & Van Haaren	GB-Inno-BM	4%	8%	10%
21-03-02	Candover	Ontex	16%	22%	40%
01-05-03	SAPA	Remi Claeys Alu.	41%	52%	54%
06-06-03	Korfinco	Koramic	40%	46%	63%
11-12-03	Ubidco	Ubizen	14%	10%	-20%
11-02-04	Betrusted	Ubizen	9%	17%	37%
06-04-04	Manogi	Belge des Bétons	16%	31%	30%
27-07-04	Seynaeve Metaal Holding	BMT	6%	12%	16%
14-06-05	USG	Solvus	44%	45%	43%
19-06-05	Matrix Laboratories	Docpharma	13%	19%	20%
23-06-05	Crédit Agricole	Keytrade Bank	6%	12%	11%
09-08-05	Suez	Electrabel	8%	17%	16%
29-09-05	Belgacom	Telindus	43%	55%	57%
13-01-06	Cie du Bois Sauvage	Neuhaus	33%	33%	30%
15-03-06	Beaulieu Kruishoutem	Associated Weavers	33%	54%	55%
27-06-06	Autogrill Spa	Carestel	12%	12%	10%
22-09-06	Vinci	Carrières Unies de	-10%	-11%	-11%

		Porphyre			
25-10-06	CDC	Quick Restaurants	23%	29%	35%
19-03-07	FIB Properties	Agridec	24%	26%	25%
05-05-07	Northgate IS Plc	Arinso International	22%	23%	31%
02-08-07	Esko Graphics	Artwork Systems Group	4%	3%	6%
27-06-07	Norddeutsche Affinerie	Cumerio	29%	26%	30%
26-10-07	Banimmo	Immo-North Plaza	17%	19%	14%
29-10-07	Macintosh Retail Group	Brantano	29%	31%	30%
20-12-07	Real Software	Dolmen	39%	45%	41%
26-02-08	KLA-Tencor	ICOS Vision Systems Corporation	64%	54%	35%
27-03-08	Eneco	Air Energy	75%	85%	92%
25-04-08	Solvay	Innogenetics	74%	56%	50%
23-05-08	Eni	Distrigaz	8%	11%	15%
09-09-08	Punch International	Accentis	0%	2%	-5%
27-03-09	Boston	Mitiska	13%	18%	14%
23-06-09	Nikon Corporation	Metris	107%	148%	267%
14-12-09	Dexxcartes	Zemblaz (Porthus)	20%	23%	24%
22-12-09	Franklin	Deficom	31%	22%	18%
03-05-10	Trimble Navigation Ltd	Punch Telematix	2%	-12%	13%
22-06-10	ELEX	EPIQ	22%	34%	34%
03-08-10	Shire	Movetis	74%	108%	86%
03-03-11	Fingen	CNP	22%	19%	24%
02-09-11	CouckInvest	Omega Pharma	13%	10%	7%
Average			27%	31%	35%
Average (excluding Metris-Nikon)			25%	28%	28%
Median (last 10 years)			22%	23%	30%
Median (last 5 years)			22%	23%	25%
Bid premium (vs closing price 18 September 2012)			50%	52%	55%

Source: Bloomberg, public offer prospectus of related bids

As indicated in table 2, the premium offered to the Share price prior to the Announcement Date amounts to 49.8% (Announcement Date), 52.1% (1 month), and 54.5% (3 months) and is significantly higher than the premium paid in historic Belgian public takeover bids. It should be noted that the average offer premiums have been significantly influenced by the Metris – Nikon Corporation transaction, which was characterised by an exceptionally high premium. Excluding this transaction, the average offer premiums in the market amounts to 25% (1 day), 28% (1 month), and 28% (3 months).

6.3.4 Target Share prices of equity research analysts

Prior to the Announcement Date, two equity research analysts covered the Target and periodically published a note or report, including a target price for the Shares.

As shown in Table 3 below, the average of the target prices amounts to EUR 36 per Share on 14 September 2012. The Bid Price per Share reflects a premium of 23.6% to the average target price set by the equity research analysts. It should be noted that these prices reflect

price targets in 12-month horizon, whereas the Bid Price is effective on the Announcement Date.

Table 3: Overview equity research analysts' recommendations and target prices

Equity research house	Date of the report	Recommendation	Target Price (EUR)
KBC Securities	May 16th, 2012	Accumulate	34.0
	June 19th, 2012	Accumulate	34.0
	August 24th 2012	Accumulate	34.0
Bank Degroof	May 16th, 2012	Accumulate	35.0
	June 8th, 2012	Accumulate	37.0
	August 24th, 2012	Buy	38.0
Average of last target price per analyst			36.0
Bid Price premium/(discount) to average target price			23.6%

Source: Equity analyst reports, Bloomberg and ThomsonOne (18 September 2012)

Note: the equity research analysts have suspended the coverage of the Target on 19 September 2012.

6.3.5 Trading multiples and comparable listed companies

Trading multiples are determined on the basis of financial data, consensus financial projections prepared by the equity research analysts and share price of sets of comparable listed companies.

When determining the Target's peer group, it should be noted that no company is an ideal comparable to the Target in terms of activity, size, profitability and geographical presence. The Target's business model encompasses hardware as well as software and its main competitors are mainly divisions of larger multinational corporates for which this activity only represents a minor share of their overall business. Furthermore, the Target has a relatively small size and still has a very important Belgian foothold, with Belgium accounting for approximately 43% of its revenues in FY2011.

A peer group has been determined and consists of Allgeier, Atos, EMC, Kofax, Nuance, Opentext, Readsoft, Sword Group and Xerox, which are considered to be the most comparable in terms of activity. The Bidder has not taken into consideration Itesoft, Top Image Systems and Coral Hub as they have a small market capitalization or forward looking data are not available for these companies. Most of the companies retained in this peer group are, or have been, used by one or more equity research analysts in their specific peer group for the Target in the past.

- Allgeier is a Germany-based holding company operating in the IT services sector and generating nearly one third of its EUR 379 million sales in the IT solutions segment, active in the field of enterprise resource planning (ERP), document management/workflow (DMS), email security and customer relationship management (CRM).

- Atos SA is a France-based company generating over EUR 6.8 billion in sales in 2011. It provides IT services, operating through 3 business lines: consulting services line (end-to-end services and solutions); systems integration services (design and implement new IT solutions and systems and provide ongoing support and enhancement of IT applications); and managed operations services (focus on outsourcing operations, managing IT infrastructures for clients). On 1 July 2011, the Company announced the acquisition of Siemens IT activities.
- EMC Corporation (EMC), a U.S.-based company, generates over EUR 15.4 billion in sales of which over half are in the U.S. and operates in two business categories: EMC information infrastructure and VMware virtual infrastructure. EMC information infrastructure accounting for more than 80% of the business provides a foundation for organisations to store, manage, protect, analyse and secure information. In 2005, EMC acquired Captiva, active in the intelligent capture solution for paper and electronic documents and considered a direct competitor to the Target's activities.
- Kofax is a UK company engaged in the development and marketing of document driven business process automation solutions and services. Its principal activities are the sale of software licences, software maintenance and fees derived from installation, consultancy and training services. Kofax PLC has two segments: software, which improves business performance by capturing and transforming documents into digital format, and delivering them into business applications and archives, as well as hardware, which resells scanning and storage products to resellers. This business is only conducted in Europe, the Middle East and Africa. The company achieved approximately EUR 270 million sales in 2011. Following the disposal of the hardware business in 2011, Kofax only operates the software business.
- Nuance Communications Inc., a U.S.-based company, realises sales of approximately EUR 1 billion, of which nearly three quarters is generated in the U.S. Nuance is a provider of voice and language solutions for businesses and consumers around the world. The company's solutions are offered in four markets: healthcare, mobile and consumer, enterprise and imaging. Nuance merged with Scansoft in 2005, Scansoft provides imaging solution allowing more efficient processing, archiving of paper and electronic documents, and is considered comparable to the Target's products and software in terms of application field. The imaging business segment accounts for nearly 13% of overall sales.
- Opentext Corporation (Open Text), a Canadian company, is engaged in providing enterprise content management (ECM) software solutions. Open Text builds software that combines collaboration and process optimisation. Its flagship offering is the OpenText ECM Suite, which brings together the content management capabilities needed to manage various types of enterprise content, including business documents, vital records, web content, media (images, audio and video), e-mails, reports and business correspondence. The company generates over EUR 950 million in sales (end of year: June 2012), of which some 43% in the U.S., 18% in Canada, 11% in Germany, 10% in the UK and 10% in other countries.

- Readsoft AB is a Sweden-based company, which develops, sells and leases software that enables companies to automate their document handling. The extracted information is used for automated document sorting, information matching against enterprise resource planning (ERP) systems and approval workflows. ReadSoft AB supplies solutions in trade process automation and document capture automation across the globe and has operations in 16 countries. The company achieved EUR 74 million in sales of which some 25% in Scandinavia and 43% in the rest of Europe.
- Sword Group is a France-based company specialised in the provision of software applications. The company offers both solutions (services), such as business intelligence, enterprise content management and externalisation, as well as software (products). Its activities are targeted at customers in different sectors, such as banking, healthcare, insurance, telecommunications, as well as travel and transportation. The company is present in 37 countries and has nearly EUR 156 million of sales, mainly in France and the UK.
- Xerox Corporation provides a portfolio of document technology, services and software. It is a leading enterprise for business process and document management, offering global services from claims reimbursement and automated toll transaction to customer care centers and HR benefits management; the U.S. accounts for some 60% of its EUR 18 billion revenues.

Table 4 gives an overview of (i) the key financials for the Target based on actual figures for 2011 and the consensus of the equity research analysts estimates of Sales, EBITDA, EBIT and EPS (Earnings per Share) figures for 2011, 2012 and 2013, (ii) the most recently available information on the financial cash position of the Target (as provided by the annual accounts as of 30 June 2012) used to add to the enterprise value to determine the equity value of the Target, and (iii) the total number of diluted outstanding Shares used to determine the value per Share.

Table 4: Key valuation items for the Target in view of trading multiples method

Forecasted Sales, EBIT(DA) and EPS/share for the Target based on equity research analysts' consensus ⁽¹⁾

	2011A	2012E	2013E
Sales (€m) ⁽²⁾	121.3	121.0	126.5
Bank Degroof		125.3	130.2
KBC Securities		116.8	122.9
EBITDA (€m)	7.2	8.3	9.1
Bank Degroof		8.6	9.5
KBC Securities		8.0	8.7
EBIT (€m) ⁽³⁾	5.1	6.2	6.9
Bank Degroof		6.5	7.2
KBC Securities			
EPS (€)	2.0	2.4	2.7
Bank Degroof		2.4	2.7
KBC Securities		2.4	2.7

Enterprise value adjustments dated June 30th, 2012 for the Target

	Amount	Comment ⁴⁾
Net financial cash ⁽⁵⁾	10.3	Book value June 30 th , 2012
Black & Scholes value of all Warrants & Stock Options ⁽⁶⁾	(1.1)	
Total enterprise value adjustments	9.2	

Number of diluted outstanding Shares (thousands of Shares)

Outstanding Shares as of December 31 st , 2011	1,865	
Adjustment for treasury Shares	24	At December 31 st , 2011
Adjustment for share buy-back	26	At June 30 th , 2012
Number of diluted outstanding Shares	1,815	

Source: ThomsonOne, equity research analysts' consensus with regard to selected financial data for the Target (14 September 2012), Target annual report FYE 2011 and overview of outstanding Warrants. The equity research analysts have suspended the coverage of the Target on 19 September 2012.

Notes: All amounts in EUR millions, except for outstanding Shares expressed in thousands and EPS expressed in units.

(1) Equity research analysts' consensus based on projections published after the 2012 H1 results announcement dated 24 August 2012.

(2) Equity research analysts have only published sales estimates; the other operating income are assumed to remain stable at EUR 5.0m (FY2011-level) in FY2012-13.

(3) As only Degroof has issued forecasts at EBIT level, stable D&A as percentage of sales as in FY2011 at 1.67% has been assumed to determine EBIT forecasts.

(4) The latest reported figures dated 30 June 2012 are used for each EV adjustment.

(5) Net financial cash equals to cash and cash equivalents less short term borrowings less non-current borrowings (which include pension liabilities).

(6) In order to take into account the value impact of Warrants & Stock Options, the Bid Price for these securities (based on Black & Scholes) is deducted from the enterprise value to determine the equity value for the outstanding Shares (see also the Chapter below on Warrants and Stock Options).

Table 5 gives an overview on the actual / expected key financial figures of the peer group for 2011, 2012 and 2013 based on equity research analysts' consensus. It should be noted that, as stated above, the peer companies are not fully comparable as:

- (i) the average size of the comparable companies is higher (in comparison to the Target) in relation to market capitalisation, sales and enterprise value; and
- (ii) the peer companies have on average higher EBITDA/EBIT margins.

Table 5: Peer Group – Overview of key financials for the selected peer group

Name	Market Cap ⁽¹⁾	Enterprise value ⁽²⁾	Sales 2011A	Sales CAGR ⁽³⁾ 11-13	EBITDA % 2011A ⁽⁴⁾	EBITDA CAGR % 11-13	EBIT 2011A ⁽⁵⁾ (%)
Allgeier	93	103	379	18.1%	5.1%	34.1%	2.4%
Atos	4,344	4,215	6,813	15.0%	9.6%	23.2%	5.5%
EMC	44,473	42,312	15,218	10.3%	24.8%	17.7%	17.7%
Kofax	333	269	197	5.0%	16.7%	9.4%	13.1%

Nuance	6,056	6,721	1,083	21.1%	26.4%	49.8%	16.0%
Opentext	2,545	2,574	881	12.5%	27.8%	14.0%	14.9%
Readsoft	72	67	77	12.1%	11.0%	29.9%	3.4%
Sword Group	121	112	156	-16.7%	15.8%	-16.6%	12.8%
Xerox	7,815	13,459	17,209	0.8%	14.6%	1.2%	9.0%
Mean				8.7%	15.8%	18.1%	10.5%
Median				12.1%	16.9%	17.7%	12.8%
Target	55	44	121	4.1%	5.9%	12.4%	4.2%

Source: ThomsonOne (14 September 2012), Target 2011 figures and equity research analysts' reports

Notes: All amounts in EUR millions.

(1) Market capitalisation = number of outstanding shares x shares prices as of 14 September 2012.

(2) Enterprise value = Market capitalisation increased with net financial position or debt related items as per latest company publication

(3) CAGR = Compounded annual growth rate

(4) EBITDA = Earnings before Interest & Taxes, Depreciations and Amortizations, – margin over sales

(5) EBIT = Earnings before Interest & Taxes – margin over sales

Table 6: Peer Group - Evolution of key financials for the selected peer group

Name	# of analysts	Sales			EBITDA			EBIT		
		2011A	2012E	2013E	2011A	2012E	2013E	2011A	2012E	2013E
Allgeier	2	379	435	529	19	26	35	9	11	18
Atos	22	6,813	8,815	9,010	654	905	993	374	545	635
EMC	37	15,218	16,757	18,526	3,774	4,888	5,225	2,692	4,083	4,631
Kofax	5	197	208	217	33	36	39	26	29	33
Nuance	18	1,083	1,381	1,589	286	557	643	173	491	560
Opentext	11	881	1,021	1,115	245	285	319	131	196	269
Readsoft	3	77	91	97	8	15	14	3	9	11
Sword Group	2	156	119	108	25	19	17	20	25	14
Xerox	10	17,209	17,170	17,498	2,506	2,478	2,565	1,555	1,602	1,638
Mean		881	1,021	1,115	245	285	319	131	196	269
Median		4,668	5,111	5,410	839	1,023	1,094	554	777	868
Target		121	121	126	7	8	9	5	6	7

Source: ThomsonOne (14 September 2012), Target 2011 figures and equity research analysts' reports

Note: All amounts in EUR millions.

The median multiples of the peer group (as shown in Table 7 below) are applied to the equity research analysts' estimates for the Target (as shown in Table 4 above) in order to determine its implied enterprise value, equity value and Share price.

Table 7: Peer Group**Overview of trading multiples and premiums/discounts of the Bid Price**

Name	EV/ EBITDA			EV/ EBIT			P/E		
	2011A	2012E	2013E	2011A	2012E	2013E	2011A	2012E	2013E
Allgeier	5.3x	4.0x	3.0x	11.3x	9.2x	5.6x	21.2x	18.5x	8.7x
Atos	6.4x	4.7x	4.2x	11.3x	7.7x	6.6x	23.9x	12.2x	10.4x
EMC	11.2x	8.7x	8.1x	15.7x	10.4x	9.1x	23.9x	15.5x	13.5x
Kofax	8.2x	7.5x	6.8x	10.4x	9.3x	8.1x	26.6x	19.9x	15.0x
Nuance	nm	12.1x	10.5x	nm	13.7x	12.0x	nm	14.1x	13.0x
Opentext	10.5x	9.0x	8.1x	19.6x	13.1x	9.6x	26.1x	15.0x	10.1x
Readsoft	7.9x	4.4x	4.7x	nm	7.5x	5.8x	10.5x	11.1x	8.5x
Sword Group	4.5x	5.9x	6.5x	5.6x	4.5x	8.0x	nm	10.1x	10.5x
Xerox	5.4x	5.4x	5.2x	8.7x	8.4x	8.2x	7.9x	7.1x	7.0x
Mean	7.4x	6.8x	6.3x	11.8x	9.3x	8.1x	20.0x	13.7x	10.7x
Median	7.2x	5.9x	6.5x	11.3x	9.2x	8.1x	23.9x	14.1x	10.4x
Target									
Implied Enterprise Value (based on median)	51.7	48.9	59.3	57.3	57.1	55.6			
Implied Equity Value	60.9	58.1	68.5	66.5	66.3	64.8			
Implied Share Price (EUR)	33.5	32.0	37.7	36.6	36.5	35.7	48.5	34.0	27.9
Bid Price premium / (disc.)	32.7%	39.0%	17.9%	21.5%	21.8%	24.7%	-8.2%	30.8%	59.5%

Source: ThomsonOne, equity research analysts' report, and Target annual report FYE 2011

Note: (1) Multiples for the Target based on share prices as of 14 September 2012.

(2) P/E = price / earnings

(3) the figures presented in this table have been rounded. The computation of Implied Enterprise Value, Implied Share Price and Bid Price Premiums and Discounts will therefore be subject to rounding errors.

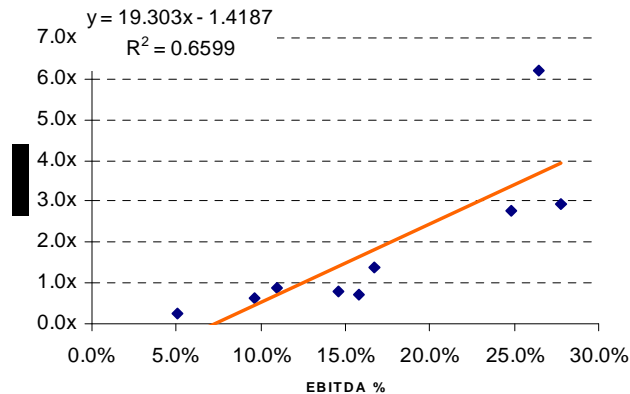
As set out in Table 6, the Bid Price reflects significant premiums as compared to the implied Share price based on a broad set of trading multiples:

- the Bid Price reflects a premium of respectively 33%, 39% and 18% on the implied Share price based on the average trading EV/EBITDA multiple on 2011, 2012 and 2013;
- the Bid Price values the Target at a premium to the trading EV/EBIT multiples, representing premiums of 21%, 22% and 25% on the EV/EBIT multiple on 2011, 2012 and 2013; and
- the Bid Price values the Target at a premium to the trading P/E multiples, representing a discount of 8%, and premiums of 31% and 59% on the P/E multiple on 2011, 2012 and 2013 respectively.

The EV/Sales multiple has not been retained for the valuation of the Target as the peer group on average shows a significantly higher profitability than the Target (median EBITDA margin of the peer group in 2011 amounts to 16.9% versus 5.9% for the Target). In addition, as set

out in Graph 3, a regression analysis of the peer group companies accounting for the differences in profitability implies a negative EV/Sales multiple for the Target and confirms the lack of relevance of this multiple.

Graph 3: Regression analysis



Source: Thomson One per 14 September 2012

Note: The bullets on the graph represent the different companies of the peer group while the orange line corresponds to the regression analysis and determines the EV/sales multiple to apply to the Target as a function of its EBITDA margin. As below an EBITDA margin of 7.3% the EV/Sales multiple to apply becomes negative, applying this methodology to the Target (5.9% EBITDA margin) would result in a negative enterprise value and confirms the lack of relevance of this multiple.

6.3.6 Transaction multiples

This analysis consists of comparing the Bid Price per Share with the implicit price of the Share derived from the use of median multiples observed in a representative sample of M&A transactions, which were realised in the Target's sector.

When determining the Target's comparable transactions sample, it should be noted that no transaction is fully comparable to the Bid in terms of activity, size, profitability and geographical presence. Moreover, the information related to the most comparable transactions is not always disclosed and available.

As shown in Table 8, a sample of transactions has been selected relating to companies active within enterprise content management software, business process management, as well as transactions relating to Belgian companies active in the technology and software sector. Furthermore, it should be noted that the Target has been very acquisitive over the last decade with over 10 acquisitions completed since its IPO and 5 acquisitions since 2005 (implying a combined acquired revenue of over EUR 45 million).

Table 8: Comparable transaction multiples and premiums/discounts of the Bid Price

Date	Bidder	Target	Enterprise Value (€m)	EV/ Sales	EV/ EBITDA	EV/ EBIT
Nov-11	Idox plc	CTSpace (Sword unit)	14	0.9	6.8	na
Aug-11	Hewlett-Packard	Autonomy Corp	7,154	8.4	17.8	22.6
Mar-11	Carlyle	Metrologic	140	5.2	10.5	11.3
Mar-11	Lyceum Capital Partners	Access UK Ltd	57	1.8	9.1	na
Jan-11	Danaher	EskoArtwork	330	3.4	11.6	na
Nov-10	Nuance Corp	eCopy	37	1.4	na	na
Nov-10	Misys	Sophis Holdings SCA	440	5.9	11.8	14.7
Sep-10	Econocom	ECS	298	0.2	5.5	12.7
May-10	IRIS	ECM Norway	na	na	na	Na
Feb-10	Advanced Computer Software plc	COA Solutions Limited	115	1.7	8.1	Na
Dec-09	Descartes Systems Group	Porthus NV	25	1.1	7.4	14.0
Nov-09	Canon Inc	Océ	1,323	0.5	5.6	28.7
Nov-09	Hewlett-Packard	3Com	1,756	2.0	11.7	26.1
Sep-09	Xerox	ACS	5,029	1.1	6.6	10.7
Jul-09	Canon Europe	IRIS (17% stake)	117	1.1	12.0	14.1
Average				2.6	9.6	17.2
Median				1.7	9.1	14.1
Implied enterprise value (EURm) (on median) ⁽¹⁾				206.2	65.4	71.7
Implied equity value (EURm)				215.4	74.6	80.9
Implied Share price (EUR)				118.5	41.1	44.5
Bid Price premium / (discount)				(266.2%)	8.3%	(0.1%)

Source: Equity research analysts' reports and notes, press releases on the transactions, specific M&A databases such as mergermarket. Transaction multiples are determined based on the enterprise value (resulting from the acquisition price for the company) and the most recent publicly available financials for the target companies.

Note: (1) Multiples have been applied on the Target's last twelve months dated December 31st, 2011 financials as acquisition multiples are calculated on the most recent publicly available financials for the target companies.

(2) the figures presented in this table have been rounded. The computation of Implied enterprise value, implied Share price and Bid Price premiums and discounts will therefore be subject to rounding errors.

As shown in Table 8, the transaction multiples result in a median transaction multiple of EV/EBITDAx at 9.1x and EV/EBIT at 14.1x. The Bidder would like to note that (i) the acquisition price is sometimes less transparent in terms of underlying financials of the Target or the exact deal structure, and (ii) the analysis of the multiples of precedent transactions should take into account general market conditions prevailing at the time of such transactions or company specific conditions.

The Bid Price reflects a premium of 8.3% versus the implied value per share based on median EV/EBITDAx and is closely in line (-0.1%) with the implied value per share based on the median EV/EBITx.

In line with the comment above with regard to the use of EV/Sales multiples, it should be noted that the median EBITDA margin of the target companies related to these transactions group amounts to 18.4%. As a result, the EV/sales multiples are not considered by the Bidder to be a useful indication for the value of the Target, having an EBITDA margin of 5.9%.

The Target has disclosed limited information on the acquisition multiples effectively paid, but for selected acquisitions an EV/EBIT multiple ranging between 5 and 7 was paid, while the Bid Price values the Target at an EV/EBIT multiple of 14.1x, which represents a significant premium.

As indicated in Chapter 3.9 above, the Bidder has bought a 17% stake of the Target in July 2009 at a price of EUR 70 per Share. However, in view of the fundamentally different economic, financial and market conditions at that time, the Bidder is of the strong opinion that there is no correlation between the price paid for the 17% stake in the Target and the Bid Price.

6.3.7 Discounted cash flow method

Discounted cash flow analysis (*DCF*) aims at determining the enterprise value of a company by discounting its future free cash flows. The equity value is obtained by deducting from the enterprise value the company's net financial debt and debt like items (as described in Table 4 above).

The estimated free cash flows of the Target rely on projections with regard to the future performance of the Target, which are based on broker consensus estimates. The brokers have only published estimates up to 2013 and have not given explanations on their assumptions.

Table 9: Key financial indicators

P&L and balance sheet	2011A	2012E	2013E
Sales	121.3	121.0	126.5
<i>Growth</i>	1.5%	-0.2%	4.4%
EBITDA ⁽²⁾	7.2	8.3	9.1
<i>Margin</i>	5.9%	6.9%	7.2%
Net debt / (Net cash)		(13.8)	(16.5)
Cash flow statement		2012E	2013E
EBIT ⁽³⁾		6.2	6.9
Operational taxes		(1.5)	(1.6)
D&A		2.1	2.2
Capex		(2.9)	(3.0)
Changes in WC		0.0	(0.3)
FOCF⁽⁴⁾		4.0	4.1

Source: ThomsonOne, equity research analysts' consensus with regard to selected financial data for the Target (19 September 2012), Target annual report FYE 2011. The equity research analysts have suspended the coverage of the Target on 19 September 2012.

Notes: (1) All amounts are in million EUR.

(2) EBITDA = Earnings before Interest & Taxes, Depreciations and Amortizations

(3) EBIT = Earnings before Interest & Taxes

(4) FOCF = Free operating cash flow

For the period as of 2014, projections are based on normalization assumptions taking into account macroeconomic data, as detailed below. Terminal value, representing 55% of the DCF Enterprise value, is calculated by applying the Gordon and Shapiro method to a free cash flow based on the following assumptions:

- an EBITDA margin in line with profitability at the end of the forecasting period; and
- average sales growth gradually evolving to the long term perpetual growth of 1.5 - 2%, which is in line with the perpetual growth retained by equity research analysts in their DCFs.

The free cash flows and the terminal value are discounted to mid-September 2012 using a discount rate ranging between 9.07 – 9.57%. The assumptions adopted in determining the discount rate are in line with, or even below, the discount rates assumed by equity analysts in relation to the Target as well as the discount rates used by the Target when performing its impairment tests in relation to its FY2011 accounts, and are based on:

- A weighted average cost of capital ("WACC") equal to the cost of equity, as the Target has a net cash position (100% equity) ;
- an unlevered beta of 1.2 consistent with the sample of comparable companies as used for the trading multiples analysis;
- a risk-free rate of 2.72% representing the 3-months average of the 10-years Belgian government rate; and
- a market risk premium of 5.5%.

Based on these assumptions, the discounted cash flows valuation gives an enterprise value between EUR 56.2 million and EUR 62.5 million, an implied equity value between EUR 65.5 million and EUR 71.7 million, which equals a Share price between EUR 36.1 and EUR 39.5 (see Table 10). Despite the fact that the Target has a fairly limited liquidity, no illiquidity discount has been applied on the DCF outcome.

The Bid Price per Share of EUR 44.5 is above the DCF outcome for selected sensitivities on discount rate and long term growth rate, and represents a 13% premium to the highest DCF value (EUR 39.5), an 18% premium to the central DCF value (EUR 37.7) and a 23% premium to the lowest DCF value (EUR 36.1).

Table 10: Sensitivities on the DCF valuation method

	Enterprise value			Equity value (1)			Equity value per Share (1)		
	Long term growth rate			Long term growth rate			Long term growth rate		
Cost of Capital	1.5%	1.75%	2.0%	1.5%	1.75%	2.0%	1.5%	1.75%	2.0%
9.07%	59.9	61.2	62.5	69.2	70.4	71.7	38.1	38.8	39.5
9.32%	58.0	59.2	60.4	67.2	68.4	69.6	37.0	37.7	38.4
9.57%	56.2	57.3	58.4	65.5	66.5	67.6	36.1	36.6	37.3

Note: (1) Please refer to Table 4 with regard to enterprise value adjustments to derive the equity value and the number of diluted outstanding Shares to derive the equity value per Share.

6.3.8 Excluded valuation methods

(A) Shareholders' equity value

The shareholders' equity represents only contributions made by holders of Shares and accumulated past results. As a result, the shareholders' equity value is based on assets and liabilities' historical values and is considered not relevant as it does not take into account the future expected performance of the Target. As of 30 June 2012, consolidated shareholders' equity amounted to EUR 63.1 million or, per Share, EUR 34.8.

Although not used as a separate valuation criteria by the Bidder, it should be noted that the Bid Price represents a premium of over 27.9% over the Target's consolidated shareholders' equity.

(B) Net asset value

The restated net asset value consists in restating the value of each asset and liability at its market value. This analysis is usually conducted in the context of valuing diversified portfolio companies owning minority stakes or companies owning different classes of assets. This method was not retained as the Target's assets are mainly majority controlled operational assets.

(C) Dividend discount model

This method consists in discounting the expected future flow of dividends. This method is usually only applied to companies providing stable dividend yields. This method is not relevant as dividends depend on the Target's financial policy and do not necessarily represent the cash flow generation of the business. Moreover, the value of the future cash flows of the Target is already captured by the DCF method.

6.3.9 Conclusion

The Bidder offers a cash-only consideration of EUR 44.5 per Share. This consideration represents the following.

(A) By reference to historical share price performance

- The Bid Price per Share represents a premium of (i) 49.8% to the Share price on the day of the Announcement Date, (ii) 51.5% on the volume weighted average Share prices over the last month prior to the Announcement Date, and (iii) 52.8% on the volume weighted average Share prices over the last three months prior to the Announcement Date.

(B) By reference to historic public bids in Belgium

- The premium offered to the Share price prior to the Announcement Date amounts to 49.8% (Announcement Date), 52.1% (1 month), and 54.5% (3 months) and is significantly higher than the premium paid in recent Belgian public takeover bids.

(C) By reference to equity research analysts' target price

- The Bid Price per Share reflects a premium of 23.6% to the average target price set by the equity research analysts. Furthermore, these prices reflect price targets in 12 months time, whereas the Bid Price is effective on the Announcement Date.

(D) By reference to multiples from comparable companies

- The Bidder has selected a peer group consisting of Allgeier, Atos, EMC, Kofax, Nuance, Opentext, Readsoft, Sword Group and Xerox. On 14 September, the Bid Price represents a premium to the implied Share price based on median trading EV/EBITDA multiples for 2011, 2012 and 2013 of respectively 33%, 39% and 18% and on median trading EV/EBIT multiples for 2011, 2012 and 2013 of respectively 21%, 22% and 25% and on median trading P/E multiples for 2011, 2012 and 2013 of respectively (8)%, 31% and 59%.

(E) By reference to multiples from comparable transactions

- A sample of transactions has been selected relating to companies active within enterprise content management software, business process management, as well as transactions relating to Belgian companies active in the technology and software sector. It should be noted that no transaction is fully comparable to the Bid in terms of activity, size, profitability and geographical presence. Moreover, the information related the most comparable transactions is not always disclosed and available.

The Bid Price reflects a premium of 8.3% versus the implied value per share based on median EV/EBITDAx and is closely in line (-0.1%) with the implied value per share based on the median EV/EBITx.

The Bidder would like to note that (i) the acquisition price is sometimes less transparent in terms of underlying financials of the Target or the exact deal structure, and (ii) the analysis of the multiples of precedent transactions should take into account general market conditions prevailing at the time of such transactions or company specific conditions.

(F) By reference to the discounted cash flow method

- The discounted cash flow method is applied to the projections on future sales, profitability and capex requirements for the period 2012-2013 based on equity research analyst consensus. In view of other valuation parameters, a discount rate of 9.07%-9.57% and a long term growth rate ranging between 1.5% and 2% is used. Based on these assumptions, the discounted cash flows valuation gives an enterprise value between EUR 56.2 million and EUR 62.5 million, an implied equity value between EUR 65.5 million and EUR 71.7 million, which equals a Share price between EUR 36.1 and EUR 39.5.

No discount has been applied to the DCF valuation outcome relating to illiquidity.

The Bid Price per Share of EUR 44.5 represents an 18% premium to the central value of the valuation range.

In conclusion, having analysed the different valuation methodologies, the Bidder believes that a cash Bid Price of EUR 44.5 per Share is above the current share price levels and reflects premiums to several valuation levels and constitutes an attractive offer to the holders of Shares.

Considering the liquidity of the Shares, it is worth considering that the Bid provides all investors with the possibility to receive the cash consideration immediately without any limitation as to the liquidity of the Share.

6.4 Bid Price for the Warrants and Stock Options and justification

Table 11 provides an overview of the Warrants and Stock Options that are still outstanding on the date hereof. The Bidder has calculated the Bid Price of the outstanding Warrants and Stock Options by using the standard market model for the valuation of warrants or options (*i.e.* Black & Scholes model).

Table 11: Overview outstanding Warrants and Stock Options

Type	Number of Warrants / Stock Options outstanding	Exercise Price	Expiration date
Horizon 2009	3,500 (Stock Options)	25.11	Dec-14
Horizon 2011	23,500 (Stock Options)	42.18	Dec-17
Horizon 2011	14,000 (Warrants)	42.18	Dec-17
Horizon 2015	30,000 (Warrants)	36.23	Nov-20
Total	71,000		

Source: The Target

The model uses the following formula:

$$\text{Warrant Value} = [\text{EXP}((0-\text{Div})\times T)]\times P\times N(d1)] - [S \times (\text{EXP}((0-\text{RF})\times T))\times N(d2)]$$

Whereby:

Div: Annualized Dividend Yield

T: Time to expiry (in years)

P: Current Share price (i.e. the Bid price)

S: Strike price of the Warrant/Stock Options

RF: Risk Free interest for the period to expiry

N(d1): Normal distribution of d1; whereby

$$d1 = [\ln (P/S)+((\text{RF}-\text{Div})+((V^2)/2))\times T] / [V \times (T^{0.5})]; \text{ whereby}$$

V: Volatility

N(d2): Normal distribution of d2: whereby

$$d2 = d1 - [V \times (T^{0.5})]$$

This model takes into account the current Share price, the exercise price of the Warrant, interest rates, dividends, the exercise period of the Warrant and the expected future volatility of the underlying Share. The consideration offered of EUR 44.5 per Share has been used as the current Share price in the valuation of the Warrants and Stock Options. The included interest rate is the Belgian benchmark risk free interest rate on 14 September 2012, corresponding to the remaining term of every Warrant or Stock Option.

Table 12: Belgian benchmark risk free interest rate (14th of September 2012)

Maturity	Yield %
3 months	0.000%
6 months	0.020%
1 Year	0.087%
2 Year	0.306%
3 Year	0.591%
4 Year	0.947%
5 Year	1.250%
6 Year	1.781%
7 Year	1.996%
8 Year	2.207%
9 Year	2.400%
10 Year	2.61%

Source: Bloomberg (YCGT0006 Index)

Furthermore, in the valuation of the Warrants and Stock Options, the dividend paid on May 31st, 2012 (EUR 0.7 per Share) has been taken into account to determine the dividend yield of 1.57%. Another key parameter in estimating the time value of a Warrant or Stock Option is the volatility. The volatility reflects the price fluctuation of a Share within a period of time. As no liquid market exists for the Warrants and Stock Options to derive the implied future volatility in the Stock Option pricing, the volatility was derived from the historical volatility of the Shares. Historical volatility of the Share was measured as a 3-months average of the 1-year period volatility (250 trading days) prior to 14 September 2012 and amounts to 32.7%.

The outcome for each class of Warrants based on the Black & Scholes model has been rounded at the upper eurocent. Each current outstanding Warrant and Stock Option represents a possible conversion into 1 Share.

The Bid Price for each category of Warrants and Stock Options is indicated in the Table 13 below.

Table 13 : Overview outstanding Warrants and Stock Options

Type	Number of Warrants / Stock Options outstanding	Exercise price per Share (EUR per Share)	Bid Price (EUR per Share)	Bid Price (EUR per Warrant / Stock Option)
Horizon 2009	3,500 (Stock Options)	25.11	44.5	19.14
Horizon 2011	23,500 (Stock Options)	42.18	44.5	12.83
Horizon 2011	14,000 (Warrants)	42.18	44.5	12.83
Horizon 2015	30,000 (Warrants)	36.23	44.5	17.73

Table 13 : Overview outstanding Warrants and Stock Options

Type	Number of Warrants / Stock Options outstanding	Exercise price per Share (EUR per Share)	Bid Price (EUR per Share)	Bid Price (EUR per Warrant / Stock Option)
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Source : The Bidder

The total consideration in relation to the Bid for the Warrants and Stock Options amounts to EUR 1,080,015.

6.4.1 Fairness Opinion

The independent directors of the Target are statutorily not required to appoint an independent expert pursuant to sections 20 to 23 of the Royal Decree on Takeover Bids. However, the independent directors of the Target have commissioned KPMG to establish a fairness opinion on the Bid Price. The Fairness Opinion has been issued by KPMG and unanimously approved by the Board on 17 September 2012. The conclusion of the Fairness Opinion reads as follows:

“Based upon and subject to the contents of this letter, KPMG Corporate Finance is of the opinion that, taking into consideration the relevant elements of the Envisaged Transactions, underlying assumptions and business information in conjunction with the analysis as described in this report, the Envisaged Transaction will take place at fair market value.”

6.5 Review of the Bid by the competition authorities

On 9 October 2012, the Bidder notified its proposed acquisition of sole control over the Target to the Belgian competition authorities for appraisal under the Belgian Competition Act of 15 September 2006. The Bidder did not notify the transaction to the European Commission as it did not have a Union dimension as required by the Regulation (EC) 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the **EU Merger Regulation**).

On 15 October 2012, the Belgian College of Competition Prosecutors made public its intention to request that the case be referred to the European Commission. Under article 22(1) of the EU Merger Regulation, a Member State may request the European Commission to examine a concentration that does not have a Union dimension but affects trade between Member States and threatens to significantly affect competition within the territory of the Member State or States making the request. Under article 22(2) of the EU Merger Regulation, other Member States have the right to join the referral request. Six Member States chose to do so in this case: Austria, France, Ireland, Italy, Portugal and Sweden.

On 26 November 2012, the European Commission accepted the referral request made by Belgium and joined by the six Member States set forth above, as a result of which it has jurisdiction to review the Bid on behalf of the referring Member States. Further to this

decision, the Bidder submitted a new notification to the European Commission on 14 January 2013. Following formal notification, the European Commission has an initial phase of review of 25 Business Days until 18 February 2013 (which can be extended by 10 Business Days until 4 March 2013 if the parties offer commitments) to decide to either clear the Bid (conditionally or unconditionally) or to open an in-depth examination phase. It should be noted that, according to Chapter 6.2 (ii) above, the Bid may not be subject to review by any competition authority beyond the initial phase of review, and no conditions may be imposed in any decisions taken during such initial review period approving the Bid, within the meaning of section 4 of the Royal Decree on Takeover Bids. According to the applicable law, once the Bid has been approved by the European Commission during the initial phase of review, the Bid will no longer be subject to any further review by the European Commission.

Finally, at a national level, the Norwegian competition authority closed the case on 26 November 2012, which is equivalent to a clearance decision.

If no final decision is taken by the competent competition authorities before the end of the Initial Acceptance Period, the Initial Acceptance Period may be extended as mentioned in Chapter 6.7 above (“Initial Acceptance Period and extension”) as of page 76.

6.6 Compliance and regularity of the Bid

6.6.1 Resolution by the Bidder’s board of directors to launch the Bid

As legally required, the Bidder’s board of directors has granted its approval to launch a Bid on the Target (and, possibly, to reopen the Bid and/or to proceed with a squeeze-out) in a resolution dated 10 September 2012.

6.6.2 Compliance with section 3 of the Royal Decree on Takeover Bids

The Bid complies with the validity conditions set out in section 3 of the Royal Decree on Takeover Bids.

(A) All Securities with voting rights or giving access to voting rights

The Bid covers at least the totality of Securities with voting rights or giving access to voting rights, which are not held by the Bidder or any of its affiliates.

(B) Availability of funds

The irrevocable and unconditional availability of funds necessary for the Bidder to acquire the maximum number of Securities entailed by the Bid (namely a maximum of 1,550,282 Shares (including 49,292 Treasury Shares), 44,000 Warrants (including if such Warrants will be exercised and converted into Shares during the Initial Acceptance Period) and 27,000 Stock Options), has been confirmed by ING Belgium SA/NV.

The funds are available on a special blocked account with IBAN number BE10 3701 2373 4604 (BIC: BBRUBEBB) held with ING Belgium SA/NV, Avenue Marnixlaan 24, 1000 Brussels, Belgium solely for the purposes of the payment of the price for the purchase of all Securities entailed by the Bid.

(C) Compliance of the Bid terms and conditions with legislation on takeover bids

The terms and conditions of the Bid comply with the Law on Takeover Bids and with the Royal Decree on Takeover Bids. The Bidder considers that these terms and conditions, in particular the Bid Price, are such that they will enable the Bidder to achieve its goals within the framework of the Bid.

(D) Bid Price

The price offered for the Shares, the Warrants and the Stock Options does not contain differences other than those attributable to the respective characteristics of each class of Securities, as more detailed under Chapter 6.3 above ("Bid Price and justification") as of page 52.

(E) Undertaking to complete the Bid

The Bidder undertakes, as far as it is concerned, to pursue its best efforts to complete the Bid, albeit without prejudice to the conditions set forth below in Chapter 6.2 above ("Conditions to the Bid") as of page 51.

(F) Receipt of Acceptance Forms and payment of the Bid Price

ING Belgium SA/NV will centralise the receipt of Acceptance Forms and process the payment of the Bid Price.

6.6.3 Statutory approval

Save for the approval of the French version of the Prospectus by the FSMA, which has been granted on 5 February 2013, the Bid is not subject to any other statutory approval.

6.7 Initial Acceptance Period and extension

The Initial Acceptance Period will start on 6 February 2013 and close on 20 March 2013 (both dates inclusive).

Pursuant to section 31 of the Royal Decree on Takeover Bids, the Initial Acceptance Period may be extended.

This will be the case when the Bidder or a person acting in concert with the Bidder acquires or undertakes to acquire, beyond the scope of this Bid, Securities at a price exceeding the Bid

Price after the publication of the notice announcing this Bid and prior to the publication of the results of the Bid following the Initial Acceptance Period. In such case, the Bid Price will be adjusted to meet the higher price and the Initial Acceptance Period will be extended by 5 Business Days following the publication of the higher price so as to allow Security Holders to accept the Bid at the higher price.

Furthermore, the Bidder reserves the right to extend the Initial Acceptance Period for 2 weeks, which does not exceeding the maximum period of 10 weeks of the Initial Acceptance Period allowed by law, if the condition set forth in Chapter 6.2(ii) above as of page 51 is not fulfilled and, therefore, no final decision is taken by the competent competition authorities before the end of the Initial Acceptance Period on 20 March 2013. On 20 March 2013, the Bidder will inform the public either of the closing of the Initial Acceptance Period if the condition mentioned below is fulfilled, or of the extension of the Initial Acceptance Period if the said condition is not fulfilled.

6.8 Reopening of the Bid and squeeze-out procedure

6.8.1 Mandatory reopening

(A) Holder of 90% of the Securities with voting rights

Pursuant to section 35, 1° of the Royal Decree on Takeover Bids, the Bid shall automatically be reopened when the Bidder, any persons affiliated to it and any persons acting in concert with it, hold, upon expiry of the Initial Acceptance Period, at least 90% of all Securities with voting rights. The Bid will reopen within 10 Business Days following the publication of the results of the Bid following the Initial Acceptance Period for a subsequent Acceptance Period of at least 5 and maximum 15 Business Days.

(B) Increase in the Bid Price during the Acceptance Period

If the Bidder acquires, prior to the expiry of the Initial Acceptance Period, Securities at a price higher than the Bid Price (which is not its intention), sections 35 and 36 of the Royal Decree on Takeover Bids require the reopening of the Acceptance Period within 10 Business Days after the notification of the event that entails said reopening.

In such case, the Bid will be reopened at the higher price and the Bidder will pay the difference between this higher price and the Bid Price to the Security Holders who accepted the earlier Bid or any potential counter-bid.

6.8.2 Voluntary reopening

If, upon completion of the Bid, the Bidder, any persons affiliated to it and any persons acting in concert with it, hold at least 85% but less than 90% of the Shares, and the Bidder waives the acceptance threshold condition precedent, and the other conditions precedent have been fulfilled or waived, the Bidder reserves the right to reopen the Bid at its discretion under the

same terms and conditions after the publication of the results of the Bid following the Initial Acceptance Period.

In no event shall the aggregate of the Initial Acceptance Period (including any extension) and any voluntary reopening of the Bid exceed 10 weeks, *i.e.* 17 April 2013.

6.8.3 Squeeze-out

If the Bidder, any persons affiliated to it and any persons acting in concert with it, hold, following the Bid or its reopening, at least 95% of the Shares, and provided that the Bidder acquired at least 90% of the Shares subject to the Bid, the Bidder reserves the right, which it intends to use, to launch a squeeze-out process, in accordance with sections 42 and 43 of the Royal Decree on Takeover Bids and section 513 of the Companies' Code, for all Securities with voting rights or giving access to voting rights which are not yet in its possession following the Initial Acceptance Period or following reopening of the Bid.

Similarly, if the Bidder, any persons affiliated to it and any persons acting in concert with it, hold, following the Bid or its reopening, at least 95% of the Shares, and provided that the Bidder acquired at least 90% of the Shares subject to the Bid, any Security Holder is entitled to require the Bidder to purchase its Securities at the Bid Price, as further described in Chapter 6.10 below ("Compelled purchase") as of page 79.

The squeeze-out proceedings must be initiated by the Bidder within three months calculated from the end of the Initial Acceptance Period, for an additional Acceptance Period of at least 15 Business Days. This reopening shall be at the same terms as those of the Bid.

If a squeeze-out is effectively carried out, Securities with voting rights or giving access to voting rights not offered upon expiry of the additional Acceptance Period of the reopened Bid shall be deemed transferred to the Bidder by operation of law. The funds corresponding to the Bid Price for the Securities with voting rights or giving access to voting rights thus transferred shall be deposited with the Deposit and Consignation Office (*Caisse des Dépôts et Consignations / Deposito- en Consignatiekas*) in favour of the former holders of the relevant Securities with voting rights or giving access to voting rights.

6.8.4 Application for delisting

Even if the conditions for a reopening or a squeeze-out would not be satisfied, the Bidder reserves the right to apply for a delisting of the Shares pursuant to section 7, §4 of the Law of 2 August 2002, in which case such delisting will need approval from NYSE Euronext Brussels and will only become effective if the FSMA has no objections.

6.9 Delisting

The Bidder intends to request, following a successful Bid, a delisting of the Shares from admission to trading on NYSE Euronext Brussels in compliance with applicable legislation.

If the Bidder files a request for delisting from NYSE Euronext Brussels within 3 months following the closing of the last Acceptance Period, and if, at that moment, the squeeze-out, as set out in Chapter 6.8.3 above (“Squeeze-out”) as of page 78, has not yet been launched, the Bidder must reopen the Bid, pursuant to section 35, 2° of the Royal Decree on Takeover Bids, within 10 Business Days following such request, for a period of at least 5 and maximum 15 Business Days.

Should the Shares be delisted, the remaining Security Holders would hold illiquid financial instruments.

If a squeeze-out were to be launched, the delisting will automatically occur following the closing of the squeeze-out.

6.10 Compelled purchase

If (i) the Bidder and persons acting in concert with it hold, following the Bid, at least 95% of the Shares of the Target, if (ii) the Bidder has acquired, as part of the Bid, at least 90% of the Shares, and if (iii) the Bidder does not launch a subsequent squeeze-out pursuant to sections 42 and 43 of the Royal Decree on Takeover Bids, as further described in Chapter 6.8.3 above (“Squeeze-out”) as of page 78, any holders of Securities with voting rights or giving access to voting rights may compel the Bidder to buy, under the conditions of the Bid, the Securities with voting rights or giving access to voting rights they own, pursuant to section 44 of the Royal Decree on Takeover Bids.

Any request to this effect must be sent to the Bidder’s headquarters by registered letter with acknowledgement of receipt within 3 months of the end of the relevant Acceptance Period.

6.11 Revocation of acceptance

Any Security Holder who has accepted the Bid may always revoke its acceptance until the end of the Initial Acceptance Period (and of any subsequent Acceptance Periods), in application of section 25 of the Royal Decree on Takeover Bids. In addition, any increase in the Bid Price will also benefit the Security Holders who already accepted the Bid.

6.12 Publication of the results of the Bid

The publication of the results of the Bid (and an indication whether the conditions of the Bid are met or not, and, should this not be the case, whether the Bidder waives them or not), will be made on 26 March 2013, subject to the extension of the Initial Acceptance Period, as mentioned in Chapter 6.7 above (“Initial Acceptance Period and extension”) as of page 76, in the Belgian financial press. Further information can be found in the indicative timetable for the Bid in Chapter 6.15 below (“Indicative timetable of the Bid”) as of page 80 to know all other dates currently planned in this regard.

6.13 Date and method of payment

The Bid Price must be paid, at the latest, on the 10th Business Day following the announcement of the results of the Bid following the Initial Acceptance Period. The Bidder currently plans to pay the Bid Price on 27 March 2013 (subject to the extension of the Initial Acceptance Period, as mentioned in Chapter 6.7 above (“Initial Acceptance Period and extension”) as of page 76), being the Initial Settlement Date.

In case of reopening of the Bid (or of a squeeze-out), the Bid Price relating to the Securities brought to the Bid within the context of such reopening (and the Bid Price relating to the Securities brought to the squeeze-out or transferred within the context thereof) must be paid, at the latest, by the 10th Business Day following the announcement of the results of the Bid following such reopening or of such squeeze-out, *i.e.* on 23 April 2013, subject to the extension of the Initial Acceptance Period.

Payment of the Bid Price to the Security Holders who have duly accepted the Bid will be made free of any condition or restriction, by wire transfer into the bank account provided by such Security Holder in its Acceptance Form.

The Bidder shall bear the tax on stock exchange transactions.

The risk associated with, and the title to, the Securities that were validly tendered by a Security Holder during the Initial Acceptance Period or any subsequent Acceptance Period will pass to the Bidder on the Initial Settlement Date or the relevant subsequent Settlement Date at the time when payment of the Bid Price is made by the Paying and Receiving Agent on behalf of the Bidder.

6.14 Counter-bid and higher bid

In case of a counter-bid and/or higher bid, which shall consist in a price of at least 5% above the Bid Price, the Initial Acceptance Period will, in compliance with sections 37 to 41 of the Royal Decree on Takeover Bids, be extended until the expiry of the acceptance period of that counter-bid, unless the Bid has been withdrawn by the Bidder. In the event of a valid and more favourable counter-bid and/or higher bid, the Security Holders who had already tendered their Securities under the Bid are entitled to revoke their acceptance during the relevant Acceptance Period.

Where the Bidder offers, following a counter-bid, a higher bid price, all Security Holders who already accepted the Bid will benefit from this increased bid price.

6.15 Indicative timetable of the Bid

Event	(Anticipated) date
Filing of the Bid and the draft Prospectus with the FSMA	17 September 2012

Announcement of the Bid by the FSMA	18 September 2012
Extraordinary shareholders' meeting of the Target	7 November 2012
Second extraordinary shareholders' meeting of the Target	29 November 2012
Approval of this Prospectus by the FSMA	5 February 2013
Approval of the Memorandum in Reply by the FSMA	5 February 2013
Release of this Prospectus to the public	6 February 2013
Opening of the Initial Acceptance Period	6 February 2013
Closing or extension of the Initial Acceptance Period ⁵	20 March 2013
Publication of the results of the Bid (and indication whether the conditions of the Bid are met or not, and, should this not be the case, whether the Bidder waives them or not)	26 March 2013
Voluntary reopening, mandatory reopening of the Bid (should the Bidder hold at least 90% of the Shares), or possible squeeze-out (if the Bidder holds more than 95% of the Shares and if at least 90% of the Shares covered by the Bid have been brought thereto)	27 March 2013
Initial Settlement Date	27 March 2013
Closing of the Initial Acceptance Period in case of extension (if applicable)	3 April 2013
Closing of the second Acceptance Period (if applicable)	17 April 2013
Publication of the results of the period of reopening of the Bid (and squeeze-out, as the case may be)	22 April 2013
Mandatory reopening of the Bid (should the Bidder hold at least 90% of the Shares) or squeeze-out (if the Bidder holds	23 April 2013

⁵ All following dates of this timetable are postpone by 2 weeks in case of extension of the Initial Acceptance Period, as mentioned in Chapter 6.7 above ("Initial Acceptance Period and extension") as of page 76, except of the date of closing, publication of results and settlement of the second Acceptance Period, in case of voluntary reopening.

more than 95% of the Shares, if 90% of the Shares subject to the Bid have been brought to it) if they have not taken place earlier ⁶	
Settlement Date within the context of the reopening of the Bid (and squeeze-out, as the case may be)	23 April 2013
Closing of the mandatory reopening or the squeeze-out	15 May 2013
Publication of the results of the mandatory reopening or the squeeze-out	21 May 2013
Settlement Date within the context of the mandatory reopening or the squeeze-out	22 May 2013

6.16 Other aspects of the Bid

6.16.1 Financing conditions of the Bid

(A) Availability of the necessary funds

As required by section 3 of the Royal Decree on Takeover Bids, the funds required for the payment of all Securities under the Bid are irrevocably and unconditionally available on a bank account opened with ING Belgium SA/NV to this end. To this end, ING Belgium SA/NV has issued a statement confirming that the necessary funds are available.

(B) Details of financing

The Bidder finances the Bid based on its existing financial resources. As such there is no financing contingency to closing of the Bid, as it is statutorily required.

6.16.2 Consequences of the Bid on the assets, results and activities of the Target

Following successful completion of the Bid, the Bidder currently does not intend to dispose of any of the assets of the Target. On the basis of the review of the performance of the Target's subsidiaries, the Bidder and the Target may work together to develop any future business plans.

Any external debt of the Target will, over time, be converted into loans from the Bidder.

⁶ In case of mandatory reopening of the Bid on this date, the squeeze-out will take place after the closing of the mandatory reopening if the Bidder holds more than 95% of the Shares and 90% of the Shares subject to the Bid have been brought to it.

It is a possibility that the Target's revenues will fall in the short term if certain customers or suppliers choose to invoke change of control clauses, or to stop current commercial relationships as a result of the Bid. In the event that this would happen, the Bidder and the Target will work together to identify possible ways to replace the lost revenue streams.

In general, the Bid should not have any impact on the commercial agreements entered into by the Bidder and the Target. It is not expected that any adverse changes occur in the short or medium term. The Bidder has no current intentions to change the existing strategic partnership whereby the Bidder and the Target sell each other's products to their own customers, or to request the Target to change current relationships with its partners and customers. The Bidder will work closely with the current management of the Target in order to safeguard these important business relationships.

The Bid might entail a change in the dividend policy of the Target. Assuming the Bidder will own the Target following a successful Bid, the dividend policy will be reviewed in view of the Target's business needs, and the cash available may be reinvested to generate further growth in the Target rather than declaring dividends. It is likely that there will be no recurring dividend policy.

The Target will continue to develop high-quality solutions as it has done up until the date hereof, in close co-operation with the Bidder's group.

6.16.3 Valuation of the impact of the acquisition on the assets and results of the Bidder's group

As a result of the acquisition of the Target, the turnover of the Bidder's group is expected to increase by around 1.5% and the profit before tax is expected to increase by 2.1% in the first year. In addition, the net assets of the Bidder are expected to also increase by around 2.5%. Finally, the acquisition of the Target would increase the Bidder's group net assets by 2% and the cash balance by less than 0.5% while the Target's accounts will be consolidated into the Bidder's accounts.

7. BELGIAN TAX TREATMENT OF THE BID

7.1 Introduction

This Chapter summarises certain tax considerations applicable on the date of this Prospectus, under the laws of Belgium, to the transfer of the Securities within the framework of the Bid. The information that follows does not claim nor purport to describe all the tax consequences linked or in relation to the Bid. It does not address specific rules, such as Belgian federal or regional estate and gift tax considerations, or consider the circumstances pertaining to each Security Holder who may be subject to the particular rules and tax laws of countries other than Belgium. This information is based on the legislation, regulation and practices in force in Belgium on the date of this Prospectus. This legislation, regulation and these practices are subject to amendments and modifications, including retroactive amendments and modifications.

The summary below is not intended as, and should not be construed to be, tax advice. It is recommended for each Security Holder to consult its own tax adviser regarding the tax consequences with reference to its specific situation likely to result from the decision to tender its Securities at the Bid Price within the framework of the Bid, and the acceptance thereof.

For the purposes of this Chapter, the following defined terms shall have the following meanings:

- **Belgian individual** means any individual subject to Belgian personal income tax regime (*i.e.* each person who resides in Belgium or has his or her seat of wealth in Belgium or who is assimilated to a resident in Belgium for the purposes of the Belgian income tax legislation);
- **Belgian company** means any company subject to the Belgian corporate income tax regime (*i.e.* each company with its registered seat, its main establishment or its seat of management or administration in Belgium and which is not excluded from the scope of application of the Belgian corporate income tax regime); and
- **Belgian legal entity** means any legal entity subject to the Belgian legal entities income tax regime (*i.e.* each legal entity which is not subject to the Belgian corporate income tax regime and which has its registered seat, its main establishment or its seat of management or administration in Belgium).

7.2 Income tax treatment upon the transfer of the Shares

7.2.1 Belgian individuals

Capital gains realised by Belgian individuals upon the transfer of the Shares which are part of their private estate are, in principle, not subject to personal income tax. The capital losses realised upon the transfer of these Shares will, in principle, not be tax deductible.

Belgian individuals may, however, be liable to a 33% income tax, plus municipal taxes, when the transfer of the Shares is deemed to be speculative or is deemed to fall outside the scope of the normal management of one's private estate.

Capital gains realised upon the transfer of (a portion of) a so-called "substantial participation" (*i.e.* a participation of more than 25% during any of the preceding 5 years) in a Belgian company to a non-Belgian entity are subject to a 16.5% income tax, plus municipal taxes. For the purposes of the calculation of the 25% threshold, the Shares held by certain family members are also taken into account. Such taxation will not apply in case the Shares are sold to an entity which registered seat, main establishment or seat of management or administration is located in the EEA, unless if such entity would sell the Shares to an entity located outside the EEA within 12 months following the acquisition.

Capital gains realised by Belgian individuals who hold the Shares within the framework of their professional activity are subject to the progressive personal income tax rates ranging from 25% to 50%, plus municipal taxes. The capital gains realised on Shares which have been allocated more than 5 years to the professional activity are taxed at a rate of 16.5%, plus municipal taxes. The capital losses realised upon the transfer of these Shares are, in principle, tax deductible.

7.2.2 Belgian companies

Capital gains realised by Belgian companies upon the transfer of the Shares are, in principle, tax exempt provided that certain "taxation" conditions are complied with, the Shares have been held during at least 1 year in full legal ownership and, as of assessment year 2014, the company concerned qualifies as a small company as defined by section 15 of the Companies' Code. Capital losses are, as a general rule, not tax deductible.

If the abovementioned holding period of 1 year would not be met and the above mentioned "taxation" conditions are met, the capital gain realised would be taxed at 25%, to be increased with a surcharge of 3%. If the abovementioned holding period of one year would be met and the above mentioned "taxation" conditions are met, but the company does not qualify as a small company, the capital gain realised would, as of assessment year 2014, be taxed at 0.4%, to be increased with a surcharge of 3%.

7.2.3 Belgian legal entities

Belgian legal entities are, in principle, not taxed on the capital gains realised upon the transfer of the Shares. Capital losses are in principle not tax deductible.

The capital gains are, however, taxed at 16.5% in case of a transfer of (a portion of) a "substantial participation" (*i.e.* a participation of more than 25% during any of the preceding 5 years) in a Belgian entity to an entity which has its registered seat, main establishment or seat of management or administration outside the EEA.

7.2.4 Non-Belgian individuals or companies

The capital gains realised by non-Belgian individuals or companies upon the transfer of the Shares are, in principle, exempt from Belgian income tax, unless the said non-Belgian residents have acquired the Shares as part of a business or professional activity carried out in Belgium through a fixed base or permanent establishment in Belgium where to the Shares are allocated. In such case, the same rules apply as described above with regard to Belgian individuals (holding the Shares in the framework of their professional activity) or Belgian companies.

7.3 Taxation upon transfer or exercise of the Warrants and Stock Options

This Chapter deals with the Belgian income tax treatment of the capital gains or capital losses realised upon the transfer or exercise of the Warrants and Stock Options in the framework of the Bid, the re-opening of the Bid or the squeeze-out.

This Chapter only deals with the Belgian income tax treatment in the hands of Belgian individuals. The Belgian social security aspects are not discussed in this Chapter. The holders of the Warrants and Stock Options should discuss the tax treatment of the capital gains or capital losses realised upon the transfer or exercise of the Warrants and Stock Options with their own tax advisor.

7.3.1 Transfer of the Warrants within the framework of the Bid, re-opening of the Bid or squeeze-out

The Warrants and the Stock Options are, pursuant to the terms and conditions of the applicable plan rules, not transferable, except in case of death. The Warrants and Stock Options could therefore not be transferred in the framework of the Bid or the re-opening of the Bid.

The Belgian tax authorities generally accept that the mandatory transfer of the Warrants and Stock Options within the framework of a squeeze-out should be qualified as an event of '*force majeure/overmacht*' entailing that, for Warrants and Stock Options which have been taxed upon grant pursuant to the law of 26 March 1999, no income tax liability should arise upon such transfer on the capital gains realised. Any capital loss realised should not be tax deductible.

The Belgian tax authorities take the position that the capital gains realised upon the mandatory transfer of the Warrants and Stock Options which have not been taxed upon grant pursuant to the law of 26 March 1999, within the framework of a squeeze-out, should be taxable as professional income at the progressive income tax rates (between 25 and 50%), increased with municipal taxes. Any capital loss realised should principally not be tax deductible.

In no event will the income tax liability arising upon the transfer of the Warrants and Stock Options be borne by the Bidder, the Target or any related entity.

7.3.2 Exercise of the Warrants and Stock Options followed by a transfer of the Shares within the framework of the Bid or the re-opening of the Bid

The exercise of the Warrants and Stock Options which have been taxed upon the grant pursuant to the law of 26 March 1999, should not be subject to Belgian income tax, except possibly in case the Warrants and Stock Options did benefit from the reduced valuation rules as provided for by the law of 26 March 1999.

In the latter event, the holder of the Warrants and Stock Options will be taxed on an additional benefit in kind in case the exercise of the Warrants and Stock Options were to occur prior to 1 January following the third anniversary of the date of offer of the Warrants and Stock Options. The amount of the additional benefit in kind is in such an event principally equal to the benefit in kind on which the holders of the Warrants and Stock Options have been taxed upon grant. The benefit in kind is taxable at the progressive income tax rates (between 25 and 50%), increased with municipal taxes.

The capital gains realised upon the exercise of the Warrants and Stock Options which have not been taxed upon grant, are subject to Belgian income tax. The capital gain is equal to the positive difference between the fair market value of the Shares received upon exercise and the exercise price. Such amount is taxable at the progressive income tax rates (between 25 and 50%), increased with municipal taxes.

The capital gains and capital losses realised upon the transfer of the Shares in the framework of the Bid or the re-opening of the Bid should in principle be subject to the same tax regime as describe above in Chapter 7.2.1.

In no event will the income tax liability arising upon the transfer of the Warrants and Stock Options be borne by the Bidder, the Company or any related entity.

7.4 Tax on stock exchange transactions

A tax on stock exchange transactions is due for each purchase, sale and transfer for consideration of existing Shares in Belgium via a professional intermediary. The tax amounts to 0.25% of the transfer price and is capped at EUR 740 per operation and per party.

This tax is not payable by the following investors:

- professional intermediaries described in section 2, 9° and 10° of the Law of 2 August 2002, acting for their own account;
- insurance companies described in section 2, § 1 of the law of 9 July 1975 on the supervision of insurance undertakings (*Loi relative au contrôle des compagnies*

d'assurances / Wet betreffende de controle der verzekeringsondernemingen), acting for their own account;

- pension institutions described in section 2, 1° of the law of 27 October 2006 on the supervision of pension institutions (*Loi relative au contrôle des institutions de retraite professionnelle / Wet betreffende het toezicht op de instellingen voor bedrijfspensioenvoorzieningen*), acting for their own account;
- collective investment undertakings, acting for their own account; and
- non-residents, acting for their own account.

8. ANNEXES

8.1 Acceptance Form

8.2 Annual report of the Bidder as of 31 December 2011

8.3 Consolidated financial statements of the Target as of 31 December 2011, interim consolidated financial statements of the Target as of 30 June 2012 and press release issued by the Target on 5 February 2013 on the trends for the financial year 2012

8.4 Memorandum in Reply

Annex 8.1: Acceptance Form

Copy for ING Belgium SA

ACCEPTANCE FORM

**IN RESPECT OF THE PUBLIC TAKEOVER BID BY
CANON EUROPA N.V. FOR THE SHARES,
WARRANTS AND STOCK OPTIONS OF THE TARGET**

I, the undersigned (name, first name) _____,

residing at _____ (full address),

having read the Prospectus issued by Canon Europa N.V. in connection with the Bid for the Shares, Warrants and Stock Options issued by Image Recognition Integrated Systems Group SA (abbreviated I.R.I.S.),

Hereby declare that

- (i) I accept the conditions of the Bid as described in the Prospectus.
- (ii) I (subject to any valid counter-bid after the date of this Acceptance Form) unconditionally agree to sell to Canon Europa N.V., against the consideration and upon the terms and subject to the conditions set out in the Prospectus, the following Shares, which I own in full ownership, free and clear of any lien :

(*or in full letters* _____) ordinary Shares of I.R.I.S.

In the case of **bearer Shares**, I hereby deposit the relevant Share certificates, as listed in the deposit form below. In the case of **registered Shares**, I hereby request that a declaration of transfer be made accordingly in the Share register of I.R.I.S., and hereby authorise any director of I.R.I.S. (with powers of substitution) to effect such declaration on my behalf.

In order to be valid, I understand that my Acceptance Form must be deposited before 4.00 p.m. Brussels time on 20 March 2013, subject to extension of the Initial Acceptance period, at any branch of ING Belgium SA.

I also understand that no costs will be charged to, or incurred by, holders of Shares who tender their Shares to ING Belgium SA. The tax on stock transactions, where applicable, will be borne by Canon Europa N.V. Costs, if any, charged by financial

intermediaries, other than ING Belgium SA, are to be borne by the holder of the Shares.

- (iii) I request the consideration for the above Shares to be
- Credited on to my IBAN account n° _____ - _____ - _____ with bank _____ and BIC _____, on the payment date provided for in section 6.13 of the Prospectus.
- (iv) **I have consulted the list of bearer Shares that are the subject of opposition or *déchéance***, and I accept the consequences attached to the tendering of Shares included in such list, even after the date hereof.
- (v) I have received all information allowing me to take a resolution with full knowledge of the facts and to have full conscience of the justification and the risks of the Bid.

Save as otherwise provided herein, the terms defined in this Acceptance Form shall have the same meaning as those set out in the Prospectus.

Done in (place) _____ on (date) _____, in two originals

The selling holder of Shares

ING Belgium SA

Receiving Agent on behalf of Canon Europa
N.V.

DEPOSIT FORM IN RESPECT OF BEARER SHARES

(Share certificates must be listed following the numerical order)

N°	Quantity	N°	Quantity
_____ to _____		_____ to _____	
_____ to _____		_____ to _____	
_____ to _____		_____ to _____	
_____ to _____		_____ to _____	
_____ to _____		_____ to _____	
_____ to _____		_____ to _____	
To be carried over :		Total	

Copy for ING Belgium SA

A C C E P T A N C E F O R M

**I N R E S P E C T O F T H E P U B L I C T A K E O V E R B I D B Y
C A N O N E U R O P A N . V . F O R T H E S H A R E S ,
W A R R A N T S A N D S T O C K O P T I O N S O F T H E T A R G E T**

I, the undersigned (name, first name) _____,
residing at _____ (full address),
having read the Prospectus issued by Canon Europa N.V. in connection with the Bid for the
Shares, Warrants and Stock Options issued by Image Recognition Integrated Systems Group
SA (abbreviated I.R.I.S.),

Hereby declare that

- (i) I accept the conditions of the Bid as described in the Prospectus.
- (ii) I own in full ownership the following Warrants and/or Stock Options :
- _____ (or in full letters _____) Stock Options of the
Horizon 2009 plan,
 - _____ (or in full letters _____) Warrants of the Horizon
2011 plan,
 - _____ (or in full letters _____) Stock Options of the
Horizon 2011 plan,
 - _____ (or in full letters _____) Warrants of the Horizon
2015 plan.
- (iii) I irrevocably waive the rights granted by those Stock Options and Warrants (subject
only to any valid counter-bid after the date hereof), against the consideration and
upon the terms and subject to the conditions set out in the Prospectus. As a
consequence, those Stock Options and Warrants are to be considered as null and
void.

I hereby request that a declaration of cancellation be made accordingly in the Stock
Option and Warrant registers of I.R.I.S. (and in any other document referring to those

Securities), and hereby authorise any director of I.R.I.S. (with powers of substitution) to effect such declaration on my behalf.

In order to be valid, I understand that my Acceptance Form must be deposited before 4.00 p.m. Brussels time on 20 March 2013, subject to extension of the Initial Acceptance period, at ING Belgium SA, Attention Mr. Marc Sanders, per fax at +32 (0) 2 547 20 89 or per e-mail at BE-LFM.COA.SPA@ing.be.

- (i) I request the consideration for the above Stock Options and Warrants to be
- Credited on to my IBAN account n° _____ - _____ - _____ with bank _____ and BIC _____, on the payment date provided for in section 6.13 of the Prospectus.
- (ii) I have received all information allowing me to take a resolution with full knowledge of the facts and to have full conscience of the justification and the risks of the Bid.

Save as otherwise provided herein, the terms defined in this Acceptance Form shall have the same meaning as those set out in the Prospectus.

Done in (place) _____ on (date) _____, in two originals

The selling holder of Warrants

and/or Stock options

ING Belgium SA

Receiving Agent on behalf of Canon Europa N.V.

Annex 8.2: Annual report of the Bidder as of 31 December 2011



ANNUAL REPORT 2011
Canon Europa N.V.



Canon Europa N.V.

Annual Report 2011

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Annual Report

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Directors' report

Principal activities

The principal activities of Canon Europa N.V. (CENV) and its consolidated group companies include the sale, lease and distribution of photographic products, printers, copiers, industrial appliances and other business products to independent distributors and direct customers in Europe, Africa and the Middle East. Furthermore, Canon supplies and develops integrated hardware and IT solutions. These activities must be seen in the context of the overall strategy of delivering high-value products and services at competitive prices, while continuing to develop a strong sense of corporate social responsibility in the communities in which Canon regularly does business.

CENV is wholly-owned by Canon Inc., Tokyo, and exercises the intermediate holding function for the Canon companies in the above-mentioned geographical areas. Research, manufacturing, and development related to Canon products is performed by Canon Inc., Tokyo.

Review of the year

In 2011 total net sales decreased by EUR 244 million (3%) to EUR 8.7 billion.

Sales in 2011 were influenced by the supply constraints imposed by the earthquake in Japan and the floods in Thailand. These natural disasters had an impact on the production and on supply of parts from third parties. Our business continuity efforts resulted in a decrease of 4% overall in net sales compared to prior year in the for Consumer products areas. With strong business continuity counter-measures, we were able to control net sales shortfalls against 2010 to 4% in consumer product areas, (including personal printers), and to increase sales in our other business areas.

All other business areas directly under our influence showed an increase in sales compared to previous year.

The most significant increase took place in the Emerging Markets, where overall sales growth was 15%.

- Net sales in Consumer product areas totalled EUR 2.7 billion. This represented 31% of the CENV total net sales in 2011. In 2010 this was EUR 2.8 billion.

Photo sales increased both in value (4%) and in volume (8%) in 2011. Canon managed to keep its market leader position supported by strong new products in the autumn collection. Sales in lenses and mid-range models increased and so did the new Digital Single Lens Reflex (DSLR) cameras such as the EOS 5D Mark II and EOS 60D.

Our video sales decreased by 25% in comparison to 2010. The video market continues to decline and change to high definition. Canon mainly focusses on the high definition models.

The Office Personal Products (OPP), which include all printers and related products, such as ink cartridges, declined by 7% in total sales in comparison to last year. The main reason for

this decline was the Thai floods, which affected the supply of mainly inkjet printers, scanners and inkjet multifunctional products.

- OEM Business realized net sales of EUR 2.4 billion. This represents 28% of the CENV 2011 total net sales. This business was impacted by the supply issues and suffered a decrease of 13% compared with 2010.
- Business to Business sales represent EUR 2.3 billion, 26% of the CENV total net sales and the increase compared with last year is EUR 36 million. The counter measures taken to remediate the product availability as a result of the earthquake in Japan were effective and Canon managed to increase sales and market share.

Hardware sales increased with 3.3% and service revenues also increased compared with last year. Canon offers service contracts with a fixed duration of several years and, therefore, effects of local economic conditions in one single year are more limited.

- Net sales in the Emerging Markets amount to EUR 1.2 billion. This represents 14% of total net sales for 2011. The markets in Eastern Europe, Russia, the Middle East and Africa continue to show a steady growth.
- Net sales in Industrial Products and other represented 1% of the CENV total net sales in 2011.

Sales and profitability

2011 was a year in which Canon was severely tested by successive challenges, such as the Great East Japan Earthquake, massive flooding in Thailand and a slowdown in the economic recovery. Although the future business environment is expected to stay challenging, Canon remains singularly focused on vigorously working towards achieving its goals.

The net sales of EUR 8.7 billion brought a gross profit of EUR 2 billion or 23 % of the net sales, which is about the same percentage as in 2010.

The launch of new products and the development of new business areas together with an on-going effort to control and reduce the selling, marketing, general and administrative expenses, contributed to the company's profitability in 2011.

As a result of these activities, the income from ordinary activities before taxes increased from EUR 280 million in 2010 to EUR 319 million in 2011.

Regarding the balance sheet, CENV was able to maintain a sound position, especially through strong control of inventories and decrease of overdue account receivables.

With all measures taken and maintained, CENV expects to have established a solid basis for continued increases in sales and profitability.

Investments and European group structure

From January 1st, 2011 Canon Hungaria Kft, Canon Polska spol z.o.o., Canon CZ s.r.o. and Canon Slovakia s.r.o. became independent local Sales Organizations in our Business Imaging and Consumer Imaging model and direct reporting entities to Canon Europa N.V.

In June 2011, CENV purchased the shares of Océ (Schweiz) A.G. from Océ N.V.

Océ (Schweiz) A.G. is the National Sales organization for Océ products in Switzerland. The combined Canon and Océ operation creates the largest printing presence in Switzerland.

Canon Inc. completed a delisting of Océ N.V. from the Amsterdam stock exchange NYSE Euronext, in early 2012 following the acquisition of the ordinary shares bringing Canon's ownership in Océ to 98.83 % of the entire issued share capital.

Canon Inc. is in the process of statutory buyout proceedings under Dutch law ("squeeze out procedure") to effect the purchase of the remaining minority shareholdings.

Canon and Océ aim to create the overall number one presence in the printing industry.

Since Océ officially joined the Canon Group, the two companies have promoted their businesses and strengthened their cooperation steadily. In particular, mainly in Europe and the United States, Canon and Océ are striving to expand product portfolios and are in the process of expanding product sales and strengthening the service function by utilizing each other's sales and service channels effectively.

Financing

CENV seeks to meet its liquidity and capital requirement primarily with cash flows from debt-free operations.

CENV does not maintain a policy to hedge foreign currency positions or transactions. However, there is some foreign currency exchange exposure arising from transactions denominated in British Pounds that are hedged by means of foreign currency exchange forward contracts.

During 2011 no dividend was paid to Canon Inc.

Organization

The average number of staff employed by the CENV group of companies in Europe, Africa and the Middle East decreased from 11,279 to 11,053. This decrease was mainly in Italy, Spain, France, United Kingdom and The Netherlands, and was partially offset by the inclusion of Océ (Schweiz) A.G..

Canon is instigating new sales and service focussed initiatives. The major components of this are: our One Service programme, which is transforming the future delivery of the Canon EMEA organization; the transitioning of our Iberian and French affiliates to Canon core systems; the improvement of master data management; and development of enhanced Business Intelligence.

Environment

Canon's business is subject to environmental laws and European directives such as RoHs (Restriction of Hazardous Substances Directive) regulations. Additionally to the legal obligations the company works on energy resource conservation, reduction of hazardous substances, collection and recycling of products and waste disposal.

Canon continues to work on high environmental standards in all stages of its business. Attention to ecology and the environment is given by means of several programs, including product retrieval and collection, parts and materials recycling, and product re-manufacturing. The Group is further active in a variety of environmental protection programs and complies with the requirements defined by the EEC directive for Waste from Electric and Electronic Equipment (WEEE).

Canon has been ranked 28 on the Best Global Green Brands ranking prepared by Thomson Reuter's, outranking other global electronic companies when they were evaluated for the importance of sustainability actions and how these align strongly to brands and consumer perceptions.

Future outlook

As for the outlook in 2012, the future remains increasingly uncertain. There is a growing concern regarding a possible global economic slowdown and, in Europe, regarding the lack of progress in resolving the euro debt crisis.

Canon aims to grow with profit. The Company's basic policy for this year is to do this whilst pursuing fundamental reforms, embracing the challenging environment as an opportunity to leap forward.

In the businesses in which Canon is involved, despite concerns over negative effects arising from a slow economy on the office equipment market, demand for products like network digital Multi Functional Devices and laser printers is projected to realize solid growth. With respect to the consumer products market, while solid demand for digital SLR cameras is expected in all regions, demand for compact digital cameras is projected to remain relatively unchanged in developed countries. As for inkjet printer markets, demand overall is expected to stay around the same level as the year just ended.

Furthermore Canon Europa plans to grow in the Medical Business area.

The six key strategies that CENV will follow in conjunction with our parent company continue to be:

- to reach number one positions in all core businesses and expand related and peripheral business
- to develop new business through globalized diversification with a three management regional headquarters management system
- to establish a globally optimized production system
- to comprehensively reinforce global sales capabilities
- to build the foundations of an environmentally advanced corporation
- to impart a corporate culture and to cultivate human resources befitting a truly excellent global company

Amsterdam, 20 July 2012

Board of Directors:

R. van Iperen



P. Buenen



Supervisory Board of Directors:

F. Mitarai



T. Tanaka



A. Wakiya



Financial Statements

Consolidated balance sheet as at 31 December 2011

(before proposed appropriation of results)

		2011 EUR '000	2010 EUR '000
Fixed assets			
Intangible fixed assets	A-1	72,114	59,134
Tangible fixed assets	A-2	243,699	269,547
Financial fixed assets	A-3	452,494	435,951
		<u>768,307</u>	<u>764,632</u>
Current assets			
Inventory	A-4	848,322	710,113
Receivables	A-5	2,307,901	2,342,729
Securities	A-6	1,537	1,548
Cash	A-7	1,734,147	1,879,019
		<u>4,891,907</u>	<u>4,933,409</u>
Current liabilities	A-8	<u>(2,599,058)</u>	<u>(2,907,478)</u>
Working capital		<u>2,292,849</u>	<u>2,028,452</u>
Total assets less current liabilities		3,061,156	2,790,563
Non-current liabilities	A-9	(26,055)	(40,254)
Provisions	A-10	(301,805)	(239,239)
		<u>(327,860)</u>	<u>(279,493)</u>
Net assets		<u>2,733,296</u>	<u>2,511,070</u>
Shareholder's equity		2,616,157	2,401,394
Minority interests		<u>117,139</u>	<u>109,676</u>
Group equity		<u>2,733,296</u>	<u>2,511,070</u>

Consolidated profit and loss account for the year 2011

		2011 EUR '000	2010 EUR '000
Net sales	A-12	8,678,744	8,923,398
Cost of sales		(6,681,185)	(6,964,035)
Gross profit		1,997,559	1,959,363
Selling expenses		(1,287,445)	(1,315,065)
General and administrative expenses		(396,785)	(387,539)
Total of selling, general and administrative expenses		(1,684,230)	(1,702,604)
Operating profit		313,329	256,759
Income from financial fixed assets and securities	A-13	374	(8,211)
Interest income		21,821	12,246
Interest expense		(4,373)	(3,987)
Foreign currency exchange gain / (loss)	A-14	(12,344)	22,876
Result from ordinary activities before taxes		318,807	279,683
Taxes on income from ordinary activities	A-15	(81,889)	(85,669)
Minority interests		(8,226)	(8,329)
Net result attributable to the Group		228,692	185,685

Consolidated cash flow statement for the year 2011

	2011 EUR '000	2010 EUR '000
Cash flow from operating activities		
Operating profit	313,329	256,759
Add: Depreciation of tangible fixed assets	63,234	56,673
Impairment/write off of tangible fixed assets	15,171	18,074
Amortisation and impairment of intangible assets	23,020	43,109
Equity share in earnings of affiliated companies	88	14
Change in working capital (excluding cash and short-term debt):		
- Inventory	(138,209)	(79,276)
- Receivables	44,206	(380,237)
- Current liabilities	(303,441)	346,080
	<u>(397,444)</u>	<u>(113,433)</u>
Change in other assets/liabilities	(45,654)	55,554
	<u>(28,256)</u>	<u>316,750</u>
Cash flow from business operations:		
- Dividend received	518	4,153
- Interest received	21,821	12,246
- Interest paid	(3,755)	(3,964)
- Taxes	(112,115)	(55,076)
	<u>(93,531)</u>	<u>(42,641)</u>
	<u>(121,787)</u>	<u>274,109</u>
Cash flow from investment activities		
Acquisitions of fixed assets	(119,989)	(72,802)
Receipts from disposal of fixed assets	34,270	2,172
Change in minority interest	(766)	(5,120)
Acquisition of investments and goodwill	(162)	(14,225)
Receipts from disposal of subsidiaries	1,793	13,598
Acquisition / proceeds from sale of securities	11	(12,777)
Change in other financial fixed assets	(2,191)	34,230
	<u>(87,034)</u>	<u>(54,924)</u>

	2011 EUR '000	2010 EUR '000
Brought forward	(208,821)	219,185
Cash flow from financing activities		
Proceeds from issuance of share capital	4,815	(3,949)
Receipt / (Repayments) of long-term borrowings	(462)	315
	<u>4,353</u>	<u>(3,634)</u>
Foreign currency exchange differences	59,596	12,226
	<u>(144,872)</u>	<u>227,777</u>
Net increase/(decrease) in cash		
Cash at beginning of year	1,879,019	1,651,242
Cash at end of year	1,734,147	1,879,019
Net increase/(decrease) in cash	<u>(144,872)</u>	<u>227,777</u>

Notes to the consolidated financial statements as of and for the year ended 31 December 2011

(expressed in thousands of EUR)

Relationship with parent company

Canon Europa N.V., ('the Company') which is incorporated in Amsterdam, the Netherlands, is a wholly-owned subsidiary of Canon Inc., Tokyo, Japan.

Accounting policies

Principles of consolidation

The consolidated Financial Statements include the accounts of Canon Europa N.V. and its group companies ('the Group'). Companies in which Canon Europa N.V., directly or indirectly, exercises a majority of the voting rights or can appoint or dismiss a majority of the managing directors or supervisory directors, are regarded as group companies. The accounts of these companies are included in full in the consolidated Financial Statements, while any minority interests in these companies are separately recognised as a part of group equity. Group companies which are of immaterial importance are not consolidated but remain included in the consolidated Financial Statements at net asset value or at cost. The list of consolidated group companies can be found in note A-18.

All intercompany balances and transactions, including intra-group profits, have been eliminated upon consolidation.

The financial statements have been prepared under the historical cost convention and in conformity with the requirements of the Netherlands Civil Code, Book 2, Part 9 and accounting principles generally accepted in The Netherlands.

Cash flow statement

The cash flow statement is prepared based upon the indirect method.

Foreign currencies

Company

The functional currencies of the Company are the Euro and the US Dollar. Assets and liabilities denominated in US Dollar are translated into Euro, the reporting currency, at exchange rates prevailing at the balance sheet date, whereas revenues and costs are translated at the rates approximating those in effect at the date of the transaction. Resulting translation differences from US Dollar are directly charged against or credited to the translation reserve as a separate component of equity.

Transactions denominated in non-functional currencies are converted at the rates approximating those in effect at the date of the transaction. Assets and liabilities denominated in non-functional currencies are converted at the rates of exchange prevailing at the balance sheet date. Resulting exchange differences are recorded as a foreign currency exchange result in the profit and loss account.

Subsidiaries

The local currency is the functional currency of the subsidiaries. All transactions denominated in non-functional currencies are converted at the rates approximating those in effect at the date of the transaction. Assets and liabilities denominated in non-functional currencies are converted at exchange rates prevailing at the balance sheet date. Resulting exchange differences are recorded as a foreign currency exchange result in the profit and loss account of the subsidiary.

In consolidation, assets and liabilities denominated in the local currencies are translated into Euro at the rates prevailing at the balance sheet date. Revenues and costs are translated at the average rate for the year. Resulting translation differences are directly charged against or credited to the currency translation reserve as a separate component of equity.

Comparative figures

Certain 2010 comparatives have been reclassified to comply with 2011 presentation requirements.

Intangible fixed assets

Goodwill represents the excess of the purchase price and related costs over the fair value assigned to the net assets of the business acquired. Goodwill is amortised on a straight-line basis over a maximum period of five years from the date of acquisition and charged to General and administrative expenses in the Profit and loss account.

Other intangible fixed assets with a definite life are amortised on a straight-line basis over a period ranging from three to twenty years. Other intangible fixed assets with an indefinite life are not amortised but are subject to a test for impairment each year.

The cost of software, either developed internally or obtained for internal use, is capitalised and amortised over its useful economic life, which ranges from three to five years. However, expenditures incurred during the 'research' or 'reproduction' stage of development are expensed as incurred.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis and charged to expense over the estimated useful life of the related assets. Land and construction in progress are not depreciated.

Depreciation is calculated based on the following terms:

- Buildings : 20 - 50 years
- Machinery and equipment : 5 - 10 years
- Equipment on rental : term of rental up to 3 years
- Other fixed operating assets : 3 - 5 years
- Leasehold improvements : lower of lease term or 5 years

Maintenance costs are only capitalised when they result in an extension of the useful life of the related asset.

Financial fixed assets

The financial fixed assets comprise the interests in the non-consolidated investments and long-term receivables with a financing character. The non-consolidated group companies and other participating interests are valued at net asset value, determined by applying the valuation policies described in these notes, except for certain immaterial group companies or where the Company does not have a significant influence. These companies are carried at cost. The list of non-consolidated group companies and participating interests can be found in note A-18.

Fixed Assets - Impairment

Fixed assets are reviewed for impairment if events or changed circumstances indicate that the carrying amount may not be recoverable. If a review for impairment is conducted, the recoverable amount is assessed by reference to the net present value of expected future cash flows of the relevant income-generating business unit or disposal value, whichever is higher. If an asset is impaired, the carrying amount is reduced to the estimated recoverable amount.

Current assets and liabilities

Current assets, except a part of the securities, and current liabilities are due within one year.

Inventory

Inventory, which mainly consists of finished goods and spare parts for resale, is stated at the lower of cost, including the related freight costs and duties (on a first-in, first-out basis), and net realizable value. Appropriate provisions are made against non-current and slow-moving inventories.

Receivables

Receivables are recorded at amortized costs which equals the nominal value, less an allowance for doubtful accounts.

Securities

Securities included in current assets are valued at fair value. Value adjustments of securities are recognised in the profit and loss account.

Financial instruments

(a) General

The principal risks arising from the group's financial instruments are credit risks, liquidity risks, cash flow risks and price risks, which comprise foreign exchange, interest rate and market risks. The group's policy to mitigate these risks is set out below:

Credit risk – The group trades only with creditworthy parties and has implemented procedures to check the creditworthiness of parties. The Group has also drawn up guidelines for limiting the credit risk associated with each party. Furthermore, the Group applies strict credit control and reminder procedures. The Group's credit risk is minimal due to the above measures. In addition, there are no significant concentrations of credit risk within the Group.

Liquidity risk – The risk of future cash flows from monetary financial instruments is minimal, since long-term receivables bear fixed rates of interest. The Group does not have any significant long-term payables.

Foreign exchange risk – The Group is exposed to foreign exchange risks arising from purchase and sales transactions denominated in a currency (primarily US Dollar and Japanese Yen) other than the Group's reporting currency. The Group's policy is not to hedge foreign exchange risks.

Interest rate risk – As the Group's long-term sales type lease receivables bear fixed rates of interest, the Group is exposed to the risk that receivables will decrease or increase in value respectively due to changing market rates of interest. The Group does not hedge this risk.

Market risk – The Group's market risk is minimal.

(b) Fair Value

The fair value of financial instruments is determined using available market information and estimating methods. The following methods and assumptions have been used to estimate the fair value of financial instruments:

Financial fixed assets (including investments in sales-type leases) – The market value of bond loans under financial fixed assets is based on market prices. The market value of other amounts receivables included in financial fixed assets is estimated from the present value of expected future cash flows using current market rates. The market value of shareholdings is based on stock exchange listings.

Securities – The market value of listed securities is based on their stock market value as of the balance sheet date.

Cash, current amounts receivable and current liabilities – Given the short term nature of these instruments, the net book value is close to the market value.

Long-term liabilities – The market value of long-term liabilities is estimated from the present value of expected future cash flows using current market rates.

(c) Interest rate risk

The contractual interest review dates or maturity dates, if earlier, and effective interest rates of the Group's financial instruments that are exposed to interest rate risk can be detailed as follows:

Financial Assets with interest rate risk

	<u>2011</u>	<u>2010</u>
<1 year	212,615	218,850
1-5 years	329,565	328,420
>5 years	<u>1,012</u>	<u>951</u>
Total	<u>543,192</u>	<u>548,221</u>
Weighted average effective interest rate	10.0%	11.0 %

The effective interest rate of financial instruments is fixed during the entire term of the instrument. The Group's other financial instruments are not included in the above table since they do not bear interest and, as a result, are not exposed to interest rate risk.

Operating and sales-type leases of photocopying and certain other business machines

Several group companies sell photocopying and certain other business machines either by direct sale, by operating lease or by sales-type leases ranging from three to five years.

The cost of equipment leased to customers under operating leases is included in tangible fixed assets. Equipment on rental leased to customers is depreciated to the estimated residual value of the asset based on the straight line method over the period ranging from two to five years. Installation and refurbishing costs are charged to expense as incurred.

Sales-type leases are recognised by recording a sale and a long-term receivable with deferred interest at the start of the contract. The receivable and interest are amortised in line with the lease repayment term.

Where this equipment is also financed by sale/leaseback transactions, the amounts received for the sale are recognised as a borrowing on the balance sheet and the leaseback payments are treated as loan repayments. The differences between the sale amount and the total leaseback payments are recognised as interest charged to earnings over the period of the contract.

Taxation

Because tax laws and financial accounting standards differ in their recognition and measurement of assets, liabilities, equity, revenues and expenses, differences in commercial and taxable profits arise. Therefore, accounting for taxes must be determined by each individual affiliate in each tax jurisdiction and includes the following steps:

- recognise the current tax liability or asset and current tax expense or benefit for the estimated amount of income taxes payable or refundable for the current year by applying the provisions of the tax law to the taxable income or loss for the year.
- measure the tax liability or asset by taking account of the 'degree of uncertainty'. The measurement of this uncertainty is applied to each individual 'unit of accounting' and is determined by measuring (a) the range of possible estimated outcomes for each tax position and (b) the probability that each individual outcome will occur for that tax position. Tax positions will only be recognised under this measurement if their likelihood of occurrence is greater than 50%.

Deferred tax is provided using the 'liability' method for all timing differences between tax and financial reporting. Deferred tax liabilities are provided for while assets are recognised to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be offset. Deferred tax assets and liabilities are valued at nominal value.

Pensions

Most of the Groups defined benefit pension plans, which are determined by the company, are funded with plan assets that have been segregated in a trust or foundation. Valuations are carried out by independent actuaries, with an annual update of all assumptions.

Employees of the Group receive retirement benefits under various defined benefit and defined contribution plans based upon factors such as years of service and employee compensation levels. Provisions are recorded based upon actuarial calculations. Eligibility is generally determined in accordance with local statutory requirements. In accordance revised with RJ 271 "Personeelbeloningen" the Group applies FASB statement ASC 715, "Employers' accounting for Defined Benefit Pension and Other Post-retirement Plans, This FASB statement requires the Company to recognise the funded status (i.e. difference between the fair value of plan assets and the projected benefit obligations). Actuarial gains and losses that are not recognised as net periodic benefit cost in the same periods are recognised as a component of other reserves, net of tax.

Pension costs in relation to defined-contribution plans are recognised by the contributions made by and due from the company.

Provisions for warranty

Warranty costs are provided for in the same period that the related goods are sold. In order to determine the provision, past experience is the principle guiding factor for which a standard formula is applied.

Provisions for WEEE

The WEEE (Waste of Electric and Electronic Equipment) directive issued by the European Parliament includes instructions to implement systems for collection and recovery of waste from electric and electronic equipment.

Diversity in both financing and accounting treatment for WEEE costs exist among Canon affiliates. This was expected due to the fact that the local country governments were given some flexibility in how to structure and implement the EEC Directive by the European Union.

For business-to-business product sales, WEEE provisions and related costs are accounted for based on the local legal requirements regarding WEEE. For consumer product sales, Canon has elected to pass on the WEEE charges to the customer by separately identifying the amount on the invoice to the customer (similar to VAT) and a liability is booked for this in the Canon Europa N.V. balance sheet when the customer is invoiced. This balance will be paid to the recycling scheme according to set payment terms.

Under the directive, the manufacturer bears the responsibility to safely collect and scrap the goods. As a result, no WEEE expenses have been recognised for OEM (Original Equipment Manufacturer) products as these products are not being sold under the Canon brand.

Revenue and expense recognition

Revenue from sales (except for semiconductors) is recorded if there is convincing evidence of a sales agreement, when delivery has taken place, the price has been agreed or can be determined, and there is reasonable certainty that the selling price is collectable. Normally, these criteria are satisfied at the moment the product or the service has been delivered and acceptance has been obtained, if required.

Turnover is shown net of value added taxes, discounts, commissions and any other sales incentives. All forms of consideration to resellers (distributor/ wholesaler/retailer) must, in principle, be classified as a reduction of revenue unless the following conditions are met:

- An identifiable benefit (goods or service) is received from the reseller in return for the consideration (e.g. identifiable advertising in accordance with specified criteria);
- This identifiable benefit is sufficiently separable from the reseller's purchase of the vendors products that the vendor (Canon) could have entered into the same transaction with a different party;
- The fair value of the benefit can be reasonably estimated (e.g. invoice from retailer).

Semiconductor sales are recognised when installation of the machine has been completed. In the accompanying profit and loss account, service and other revenues are recognised pro-rata over the contractual period or as the services are performed.

Revenue from the sale of equipment under sales-type leases is recognised at the inception of the lease. Income on sales-type is recognised over the life of each respective lease using the interest

method. Leases not qualifying as sales-type leases are accounted for as operating leases and related revenue is recognised rateably over the lease term. When equipment leases are bundled with product maintenance contracts, revenue is first allocated considering the relative fair value of the lease and non-lease deliverables based upon the estimated relative fair values of each element. Lease deliverables generally include equipment, financing and executory costs, while non-lease deliverables generally consist of product maintenance contracts and supplies.

All costs are recognised on the basis of accrual accounting.

Presentation of amounts

All amounts in the notes to the financial statements are expressed in thousands of Euros, unless indicated otherwise.

A-1 Intangible fixed assets

	Cost 1 Jan. 2011	Additions	Disposals	Translation difference	Cost 31 Dec. 2011
Goodwill	207,214	72	(922)	47	206,411
Software	208,470	36,979	(5,398)	94	240,145
Other ^a	42,410	431	-	(14)	42,827
	<u>458,094</u>	<u>37,482</u>	<u>(6,320)</u>	<u>127</u>	<u>489,383</u>
	Accumulated amortization 1 Jan. 2011				Accumulated amortization 31 Dec. 2011
Goodwill	183,824	8,337	(922)	-	191,239
Software	193,190	10,489	(3,892)	98	199,885
Other ^a	21,946	4,194	-	5	26,145
	<u>398,960</u>	<u>23,020</u>	<u>(4,814)</u>	<u>103</u>	<u>417,269</u>
	Book value 1 Jan. 2011				Book value 31 Dec. 2011
Goodwill	23,390				15,172
Software	15,280				40,260
Other ^a	20,464				16,682
	<u>59,134</u>				<u>72,114</u>

^a 'Other' intangible fixed assets include copyrights, franchises, acquired customer lists/relationships and acquired service contracts.

A-2 Tangible fixed assets

	Cost 1 Jan. 2011	Additions	Disposals	Translation difference	Cost 31 Dec. 2011
Land and buildings	327,590	1,720	(1,222)	4,354	332,442
Machinery and equipment	99,431	7,348	(20,738)	521	86,562
Equipment on rental	153,966	36,517	(53,854)	(20)	136,609
Other fixed operating assets	227,881	47,348	(87,294)	810	188,745
Construction in progress	10,974	15,573	(25,980)	24	591
	<u>819,842</u>	<u>108,506</u>	<u>(189,088)</u>	<u>5,689</u>	<u>744,949</u>
	Accumulated depreciation 1 Jan. 2011	Depreciation Charge	Disposals	Translation difference	Accumulated depreciation 31 Dec. 2011
Buildings	154,613	6,975	(107)	1,590	163,071
Machinery and equipment	84,535	8,452	(20,078)	452	73,361
Equipment on rental	119,349	31,491	(44,428)	(72)	106,340
Other fixed operating assets	191,798	18,493	(52,559)	746	158,478
	<u>550,295</u>	<u>65,411</u>	<u>(117,172)</u>	<u>2,716</u>	<u>501,250</u>
	Net book value 1 Jan. 2011				Net book value 31 Dec. 2011
Land and buildings	172,977				169,371
Machinery and equipment	14,896				13,201
Equipment on rental	34,617				30,269
Other fixed operating assets	36,083				30,267
Construction in progress	10,974				591
	<u>269,547</u>				<u>243,699</u>

A-3 Financial fixed assets

	Investments in participa- ting interests	Pension fund prepaid pension cost	Deferred tax asset	Investments in sales type lease ^a	Other ^b	Total
Balance 1 January 2011	25,566	10,683	80,968	306,280	12,454	435,951
Additions	-	946	24,160	4,321	658	30,085
Deductions	(1,792)	-	(17,099)	-	-	(18,891)
Attributable profits	89	-	-	-	-	89
Allowance for doubtful STL	-	-	-	(687)	-	(687)
Translation difference	196	122	3,046	2,401	182	5,947
Balance 31 December 2011	<u>24,059</u>	<u>11,751</u>	<u>91,075</u>	<u>312,315</u>	<u>13,294</u>	<u>452,494</u>

^a The present value of the lease payments that will be received between 1 and 5 years is EUR 314,337 excluding deferred interest on sales type lease and allowance for doubtful lease; over 5 years this is EUR 872. The residual value is EUR 3,633.

The current portion of Investments in sales-type leases is included in Receivables.

^b 'Other' includes long term loans receivable, guarantee & lease deposits and long term prepaid expenses.

A-4 Inventory

	2011	2010
Finished goods at cost	488,969	385,379
Spare parts at cost	74,671	76,837
Goods in transit	321,128	295,618
Work in progress	-	6
Other inventories	17,453	19,985
Duties, freight & insurance	9,328	10,788
Inventory provision	(63,227)	(78,500)
	<u>848,322</u>	<u>710,113</u>

EUR 11,929 has been recognised as write-off of inventories in 2011 (2010: EUR 13,937) and EUR (17,542) as inventory provision (2010: EUR (1,195)) in the profit and loss account.

The value of inventories included in cost of sales in 2011 amounts to EUR 5,510,286 (2010: EUR 6,146,469).

A-5 Receivables

	2011	2010
Trade debtors	1,525,937	1,574,383
Due from parent company	341,734	353,623
Due from participating interests	1,344	1,161
Deferred tax asset	25,229	25,742
Other receivables	115,841	109,687
Other current assets	41,206	38,042
Prepaid expenses	79,560	52,868
Investments in sales type lease – current portion	177,050	187,223
	<u>2,307,901</u>	<u>2,342,729</u>

A-6 Securities

All securities are listed and at the free disposal of the Group.

A-7 Cash

Cash includes time deposits amounting to EUR 1,485,389 (2010: EUR 1,608,633) maturing between 2 January 2012 and 31 March 2012. The other components (cash on hand and bank balances) are available on demand.

A-8 Current liabilities

	2011	2010
Bank loans	-	170
Bank overdrafts	7	35
Commercial credits owed to other suppliers	127,961	98,671
Amounts owed to parent company	1,507,684	1,804,234
Amounts owed to participating interests	157,413	167,348
Taxes and social security contributions	129,324	148,819
Accrued expenses	589,522	591,242
Other liabilities	87,147	96,959
	<u>2,599,058</u>	<u>2,907,478</u>

A-9 Non-current liabilities

	2011	2010
Bank loans	-	462
Capitalised lease obligations	7,985	13,100
Income tax payable	8,350	18,533
Other liabilities	9,720	8,159
	<u>26,055</u>	<u>40,254</u>

Bank loans are unsecured.

The amounts are due and payable between one and five years (EUR 24,763) and after five years (EUR 1,292).

There are no bank and other loans as at the balance sheet date 2011. (In 2010 the interest rates on bank and other loans, due and payable after one year but within ten years, ranged between 0% to 2.95% at balance sheet date).

A-10 Provisions

	Balance 1 Jan. 2011	Additions	Deductions	Translation difference	Balance 31 Dec. 2011
Pension provision	112,213	84,204	(27,472)	4,991	173,936
Warranty provision ^a	50,602	49,569	(53,716)	(335)	46,120
WEEE	950	282	-	4	1,236
Deferred tax liability	75,474	10,177	(5,781)	643	80,513
	<u>239,239</u>	<u>144,232</u>	<u>(86,969)</u>	<u>5,303</u>	<u>301,805</u>

The premiums and other provision for retirement benefits are considered to be of a long-term nature. The warranty provision and WEEE are mainly considered short term. The provision for deferred tax is to be considered short term for the amount of EUR 14,219.

^a The 'Additions' for warranty provision is reported net of an amount released of EUR 10,254 which was included in the balance at 1 January 2011.

Pension provision

The following table provides a summary of the changes in the benefit obligations and plan assets for 2011 and 2010.

Change in benefit obligations

	2011	2010
Benefit obligations at beginning of year	797,360	702,748
Group service cost	22,532	21,551
Interest cost	40,344	39,551
Plan participants' contributions	10,780	9,194
Amendments	-	-
Actuarial (gain) / loss	84,132	1,291
Benefits paid	(20,018)	(13,121)
Exchange rate (gain) / loss	21,398	36,146
	<hr/>	<hr/>
Benefit obligations at the end of year	956,528	797,360

Change in plan assets

	2011	2010
Fair value of plan assets at beginning of year	695,830	562,011
Actual return on plan assets	63,508	87,438
Employer contributions	27,484	22,695
Plan participants' contributions	10,780	9,194
Benefits paid	(20,018)	(13,121)
Exchange rate gain / (loss)	16,759	27,613
	<hr/>	<hr/>
Fair value of plan assets at the end of year	794,343	695,830
	<hr/>	<hr/>
Funded status	(162,185)	(101,530)
	<hr/>	<hr/>
Net amount recognised: provisions	(173,936)	(112,213)
financial fixed assets (note A3)	11,751	10,683
	<hr/>	<hr/>
	(162,185)	(101,530)

Components of net periodic benefit cost

	2011	2010
Service cost	22,532	21,551
Interest cost	40,344	39,551
Expected return on plan assets	(46,012)	(40,103)
Recognised net actuarial (gain)/loss	5,129	9,000
Amortization of prior service cost from amendment	(847)	(1,002)
Net periodic benefit cost	21,146	28,997

The assumptions underlying the pension computation are as follows:

	2011	2010
Discount rate	2.50% - 6.20%	3.30% - 6.00%
Assumed rate of increase in compensation	2.00% - 4.00%	2.00% - 4.30%
Expected long-term rate of return on plan assets	2.00% - 7.60%	3.00% - 8.00%
Average participants' remaining service period	9 - 36 years	9 - 33 years

The Group pension cost also includes an amount of EUR 7,412 related to defined contribution plan premiums.

A-11 Commitments and contingencies

A summary of non-cancellable long-term lease commitments for buildings, office and other equipment is as follows:

Year ending 31 December:	
2012	74,267
2013	46,261
2014	37,169
2015	23,402
2016	17,521
Later years	25,145

These comprise both operating leases and finance leases. The Group has no non-cancellable purchase obligations per 31 December 2011. Guarantees have been given to non-consolidated companies amounting to EUR 99,407.

Legal claim

In Germany, a collecting agency representing certain copyright holders filed a series of lawsuits since 2004 seeking to impose copyright levies upon digital products (including those manufactured by Canon), such as Personal Copiers and Printers, that allegedly enable the reproduction of copyrighted material. The levy would be imposed upon the companies importing and distributing these digital products, to be divided in single functional products (SFP) and multifunctional products (MFP).

The case for MFP was settled in 2009.

For SFP the collecting agency filed a separate lawsuit since January 2006 against Canon. The case went through several proposed settlements and appeals during 2007-2009. In January 2011, the Constitutional Court decided to revert the case back to the Federal Supreme Court due to lack of due process. After an oral hearing at the Supreme Court in June 2011, a verdict was delivered for the Canon case in July 2011. The Federal Supreme Court referred this matter to the European Court of Justice for its preliminary rulings.

Similar claims were made against non-Canon suppliers of SFP's. The German Supreme Court decided that SFP's should not be subject to copyright levies and rejected the collecting agency's appeal in September 2008. The case was brought before the Federal Constitutional Court and was reverted back later to the Federal Supreme Court in September 2010, admitting the collecting agency's claim as lack of due process. In the hearing of the claims in March 2011, the Supreme Court followed the logic of the Constitutional Court.

Canon has calculated the number of SFP units sold to-date in each category which could be affected by a possible copyright levy and included a provision in the accounts.

A-12 Net turnover

The various categories of merchandise and services supplied by the Group contributed to the turnover in the following proportions:

	2011 %	2010 %
Consumer business	40	39
Business to business	59	60
Industrial and other products	1	1
	<hr/> 100 <hr/>	<hr/> 100 <hr/>

The Group operates in various geographical areas. The breakdown of sales is:

	2011	2010
	%	%
The Netherlands	1	1
Other EU countries	95	96
Rest of Europe	3	2
Other	1	1
	<u>100</u>	<u>100</u>

A-13 Income from financial fixed assets and securities

	2011	2010
Dividend income	518	4,153
Value adjustment of investments and securities	-	(12,941)
(Loss) / Profit on sale of investments	(232)	563
Equity share in earnings of affiliated companies	88	14
	<u>374</u>	<u>(8,211)</u>

A-14 Foreign currency exchange gain / (loss)

The movement of the foreign currency exchange gain / (loss) is mainly due to the large fluctuations of foreign exchange rates against the Euro in 2011. Mainly transactions regarding realised gain/loss of receivables and payables, treasury revaluation and fair value adjustment of forward contracts contributed to this result.

A-15 Taxation

	2011	2010
Current income taxation	79,004	82,367
Deferred income taxation	2,885	3,302
Effective Tax on income from ordinary activities	81,889	85,669
Computed tax charge at Dutch Statutory rate	79,702	71,332
	2,190	14,338

The effective Taxes on income are calculated at the rates of corporation tax prevailing during the year. The effective tax rate is 25.69% (2010: 30.63%). The effective tax rate differs from the statutory rate due to permanent timing differences such as subsidiaries taxed at different rates, goodwill depreciation not deductible for tax purposes and expenses not allowable for tax purposes.

The 2011 effective tax rate decreased compared to 2010 primarily due to one-off items that find their origin in the previous year's movements.

A-16 Staff numbers and employment cost elements

Salaries, social security charges and pension costs have been allocated to selling and general and administrative expenses on the basis of each employee's function. Total salary costs amounted to EUR 620,694 (2010:EUR 618,279) and social security charges amounted to EUR 109,979 (2010:EUR 109,928). For pension costs, reference is made to note A-10 Provisions.

The average number of staff employed can be specified as follows:

Employees by geographical areas	2011	2010
The Netherlands	880	920
Switzerland	666	557
Austria	429	408
United Kingdom	1,954	2,005
Italy	466	542
Sweden	404	420
Belgium	309	328
Germany	1,404	1,417
Finland	387	414
Spain	933	985
France	1,640	1,685
Norway	317	329
Denmark	313	329
South Africa	64	63
United Arab Emirates	174	160

Portugal	187	203
Russia	186	178
Turkey	98	94
Hungary	72	73
Poland	75	71
Czech Republic	83	85
Slovakia	12	13
	11,053	11,279
Employees by function		
Sales and services	9,125	9,443
Management and administration	1,007	1,010
Distribution	609	487
ICT	312	339
	11,053	11,279

A-17 Transactions with group companies

The Group purchases substantially all of its merchandise and spare parts from the parent company and group companies. The following transactions took place between the Group and the parent company, group companies and participating interests:

	2011	2010
Sales	87,295	20,095
Interest income	5,202	3,639
Dividend income	256	4,005
Interest expenses	(1,376)	(775)

A-18 Group companies and participating interests

List of consolidated group companies

	Percentage of participation as at 31 December	
	2011	2010
Canon Nederland N.V., Amstelveen, the Netherlands ^a	100.00	100.00
Canon Europe Ltd., Uxbridge, United Kingdom	100.00	100.00
Canon U.K. Ltd, Surrey, United Kingdom*	100.00	100.00
Canon Holdings (UK) Ltd., Surrey, United Kingdom*	100.00	100.00
Canon Technologies Europe Ltd., Uxbridge, Surrey, United Kingdom ^b	100.00	100.00
Canon Deutschland GmbH, Krefeld, Germany*	71.15	71.15
Canon France S.A., Paris, France*	87.15	87.15
CEHC S.A., Paris, France	100.00	100.00
Canon Italia S.p.A, San Donato Milanese (Milan), Italy*	100.00	100.00
ASI Group S.p.A.	100.00	100.00
Doc. Center S.r.l.	100.00	51.00
Pentaprimus S.r.l.	100.00	100.00
A4 S.r.l.	100.00	51.00
Tecnitalia ^c	100.00	100.00
Canon Danmark Holding A/S, Copenhagen, Denmark *	100.00	100.00
Canon Danmark A/S, Copenhagen, Denmark	100.00	100.00
Dataflight Europe A/S, Allerød, Denmark	100.00	100.00
Canon Norge AS, Oslo, Norway*	100.00	100.00
Canon Svenska A.B., Solna, Sweden*	100.00	100.00
Canon Oy A.B., Helsinki, Finland	100.00	100.00
Canon North East Oy A.B., Helsinki, Finland	100.00	100.00
Canon Belgium N.V./S.A., Diegem, Belgium*	100.00	100.00
Canon Schweiz A.G., Wallisellen, Switzerland*	99.65	99.65
Océ Schweiz A.G., Wallisellen, Switzerland	100.00	100.00
Canon S.A./A.G., Geneva, Switzerland*	100.00	100.00
Canon GmbH, Vienna, Austria	100.00	100.00
Canon CEE GmbH, Vienna, Austria* / ^d	100.00	100.00
Canon Hungaria KFT, Budapest, Hungary ^d	100.00	100.00
Canon Polska Spol Z.O.O., Warsaw, Poland ^d	100.00	100.00
Canon CZ S.R.O., Praha, Czech Republic ^d	100.00	100.00
Canon Slovakia S.R.O., Bratislava, Slovakia ^d	100.00	100.00
Canon España S.A., Madrid, Spain *	100.00	100.00
Canon Portugal S.A., Lisbon, Portugal	100.00	100.00
Canon Russia, Moscow, Russia	100.00	100.00
Canon Eurasia, Istanbul, Turkey	100.00	100.00

Canon Middle East FZ-LLC, Dubai, United Arab Emirates*	100.00	100.00
Canon South Africa Pty Ltd., Johannesburg, South Africa	100.00	100.00
Canon Giessen GmbH, Giessen-Rodgen, Germany	50.10	50.10
NT-ware, Bad Iburg, Germany*	70.00	70.00
Therefore Corporation, GmbH, Moedling, Austria	49.00	49.00

* Consolidated with respective subsidiaries

List of non-consolidated group companies at equity value

	Percentage of participation as at 31 December	
	2011	2010
Cabasse S.A., Plouzané, France ^e	36.00	36.00

List of non-consolidated group companies at cost value

Canon Research Centre France S.A., Rennes, France ^f	48.65	48.65
Canon Inc. Taiwan, Tantzé, Taiwan	20.68	20.68

- a. In accordance with the provisions of article 403, Book 2 of the Dutch Civil Code, the Company has accepted joint and several liability in respect of Canon Nederland N.V.
- b. Canon Technologies Europe Ltd. Is in process of liquidation started at September 2010
- c. Tecnitalia is in process of liquidation started at the beginning of 2010
- d. Since 2011 Canon Hungaria Kft., Canon Polska spol z.o.o., Canon CZ s.r.o. and Canon Slovakia s.r.o. report directly to Canon Europa N.V. instead of Canon CEE GmbH.
- e. The net equity of Cabasse S.A., as at 31 December 2011 is EUR 1,210.
The net result for 2011 amounts to EUR 81.
- f. The net equity of Canon Research Centre France as at 31 December 2011 is EUR 17,055.
The net result for 2011 amounts to EUR 2,776.

The percentages given represent the total participation of the Canon Europa Group.

Balance sheet as at 31 December 2011

(before proposed appropriation of results)

		2011 EUR '000	2010 EUR '000
Fixed assets			
Intangible fixed assets	B-1	47,353	23,622
Tangible fixed assets	B-2	30,213	44,681
Financial fixed assets	B-3	1,437,174	1,437,869
		<u>1,514,740</u>	<u>1,506,172</u>
Current assets			
Inventory	B-4	742,419	599,647
Receivables	B-5	1,762,987	1,812,671
Cash	B-6	1,408,139	1,512,713
		<u>3,913,545</u>	<u>3,925,031</u>
Current liabilities	B-7	<u>(2,784,143)</u>	<u>(2,987,229)</u>
Working capital		<u>1,129,402</u>	<u>937,802</u>
Total assets less current liabilities		<u>2,644,142</u>	<u>2,443,974</u>
Non-current liabilities		(1,349)	(1,349)
Provisions	B-8	(26,636)	(41,231)
Net assets		<u>2,616,157</u>	<u>2,401,394</u>
Capital and reserves	B-9		
Issued share capital		290,606	285,791
Legal reserve		142,030	131,739
Translation reserve		(12,709)	(93,592)
Other reserves		(120,947)	(34,981)
Retained earnings		2,088,485	1,926,752
Undistributed profit for the year		228,692	185,685
Shareholder's equity		<u>2,616,157</u>	<u>2,401,394</u>

Profit and loss account for the year 2011

	2011 EUR '000	2010 EUR '000
Net sales	7,563,722	7,796,046
Cost of sales	<u>(6,475,738)</u>	<u>(6,763,886)</u>
Gross profit	1,087,984	1,032,160
Selling expenses	(792,345)	(763,777)
General and administrative expenses	(165,195)	(169,969)
Total of selling, general and administrative expenses	<u>(957,540)</u>	<u>(933,746)</u>
Operating profit	130,444	98,414
Income from financial fixed assets and securities	<i>B-10</i> 121,351	97,706
Interest income	19,236	11,529
Interest expense	(5,292)	(3,711)
Foreign currency exchange gain / (loss)	(8,912)	20,643
Result from ordinary activities before taxes	<u>256,827</u>	<u>224,581</u>
Taxes on income from ordinary activities	(28,135)	(38,896)
Net result	<u>228,692</u>	<u>185,685</u>

Notes to the financial statements as of and for the year ended 31 December 2011

(expressed in thousands of EUR)

Accounting policies

The policies with regard to valuation of assets and liabilities, income calculation and presentation are set out on pages 10 through 17 of the consolidated Financial Statements which form part of these notes.

Financial fixed assets

The financial fixed assets comprise the interests in investments and long-term receivables with a financing character. The financial fixed assets are valued at net asset value, determined by applying the valuation policies described in the notes on page 12 except for certain immaterial group companies or where the Company does not have a significant influence. These companies are carried at cost.

Commissionaire structure

For the consumer products, Canon applies a 'commissionaire' structure in Europe. This means that Canon Europa directly ships and invoices the customer for each sale, and also pays a commission to the group companies responsible for the country of the customer.

B-1 Intangible fixed assets

	Cost 1 Jan. 2011	Additions	Disposal	Cost 31 Dec. 2011
Goodwill	98,972	-	-	98,972
Software	187,250	36,232	(1,751)	221,731
Other	17,012	-	-	17,012
	<u>303,234</u>	<u>36,232</u>	<u>(1,751)</u>	<u>337,715</u>
	Accumulated amortization 1 Jan. 2011	Charge for the year	Disposal	Accumulated amortization 31 Dec. 2011
Goodwill	98,481	375	-	98,856
Software	173,664	9,354	(487)	182,531
Other	7,467	1,508	-	8,975
	<u>279,612</u>	<u>11,237</u>	<u>(487)</u>	<u>290,362</u>
	Book value 1 Jan. 2011			Book value 31 Dec. 2011
Goodwill	491			116
Software	13,586			39,200
Other	9,545			8,037
	<u>23,622</u>			<u>47,353</u>

B-2 Tangible fixed assets

	Cost 1 Jan.2011	Additions	Disposals	Cost 31 Dec. 2011
Land and buildings	63,655	-	-	63,655
Machinery and equipment	25,397	27,876	(40,036)	13,237
Other fixed operating assets	80,757	208	(27,510)	53,455
Construction in progress	10,857	14,580	(25,437)	-
	<u>180,666</u>	<u>42,664</u>	<u>(92,983)</u>	<u>130,347</u>
	Accumulated depreciation 1 Jan. 2011	Depreciation charge	Disposals	Accumulated depreciation 31 Dec. 2011
Buildings	37,681	2,033	(593)	39,121
Machinery and equipment	23,166	1,136	(13,035)	11,267
Other fixed operating assets	75,138	2,768	(28,160)	49,746
	<u>135,985</u>	<u>5,937</u>	<u>(41,788)</u>	<u>100,134</u>
	Net book value 1 Jan. 2011			Net book value 31 Dec. 2011
Land and buildings	25,974			24,534
Machinery and equipment	2,231			1,970
Other fixed operating assets	5,619			3,709
Construction in progress	10,857			-
	<u>44,681</u>			<u>30,213</u>

B-3 Financial fixed assets

	Investment in group companies	Receivables from group companies	Participating interests and non- consolidated companies	Deferred Tax asset	Receivables	Total
Balance 1 January 2011	1,404,245	8,462	17,090	8,010	62	1,437,869
Additions	15,900	-	-	-	-	15,900
Deductions	-	(1,220)	(1,067)	(386)	(37)	(2,710)
Attributable results ^a	120,916	-	-	-	-	120,916
Dividend received	(78,267)	-	-	-	-	(78,267)
Direct adjustments in subsidiaries equity	(93,748)	-	-	-	-	(93,748)
Translation difference	46,072	-	-	-	-	46,072
Other changes	(8,858)	-	-	-	-	(8,858)
Balance 31 December 2011	1,406,260	7,242	16,023	7,624	25	1,437,174

^a Attributable results represent the equity in earnings of affiliates, which includes intercompany profit elimination and deferred tax thereon.

B-4 Inventory

	2011	2010
Finished goods	421,545	316,546
Spare parts at cost	55,496	56,851
Goods in transit	302,936	280,266
Work in progress	-	5
Other inventories	2,149	958
Duties, freight & insurance	8,788	9,621
Inventory provision	(48,495)	(64,600)
	<u>742,419</u>	<u>599,647</u>

EUR 5,471 has been recognised as write-off of inventories in 2011 (2010: EUR 5,469) and EUR (16,103) as inventory provision (2010: EUR (2,999)) in the profit and loss account. The value of inventories included in cost of sales in 2011 amounts to EUR 6,389,991 (2010: EUR 6,673,754).

B-5 Receivables

	2011	2010
Due from group companies	449,334	414,102
Trade debtors	946,947	1,035,430
Due from parent company	340,524	352,463
Due from participating interests	1,330	1,132
Prepaid expenses	19,995	5,880
Other receivables	4,857	3,664
	<u>1,762,987</u>	<u>1,812,671</u>

B-6 Cash

Cash includes time deposits amounting to EUR 1,315,612 (2010: EUR 1,437,960) maturing up to 7 February 2012. The other components (cash in hand and bank balances) are available on demand.

B-7 Current liabilities

	2011	2010
Amounts owed to group companies	719,821	600,972
Commercial credits and owed to suppliers	60,867	35,996
Amounts owed to parent company	1,502,687	1,799,961
Amounts owed to participating interests	157,127	167,044
Taxes and social security contributions	11,989	39,966
Accrued expenses	328,148	338,272
Other liabilities	3,504	5,018
	<u>2,784,143</u>	<u>2,987,229</u>

B-8 Provisions

	Balance 1 Jan. 2011	Additions	Deductions	Balance 31 Dec. 2011
Pensions provision	(1,622)	1,994	(13,825)	(13,453)
Warranty provision ^a	39,276	29,487	(34,523)	34,240
Deferred tax liability	3,577	2,935	(663)	5,849
	<u>41,231</u>	<u>34,416</u>	<u>(49,011)</u>	<u>26,636</u>

^a The 'Additions' for warranty provision is reported net of an amount released of EUR 5,289 which was included in the balance at 1 January 2011.

Provision for pension

The table below provides a summary of the changes in the benefit obligations and plan assets for 2011 and 2010.

Change in benefit obligations

	2011	2010
Benefit obligations at beginning of year	59,869	53,118
Service cost	2,124	1,917
Interest cost	3,199	2,774
Plan participants' contributions	683	711
Actuarial (gain)/loss	(11,738)	2,817
Benefits paid	(1,561)	(1,299)
Other	(341)	(169)
	<u>52,235</u>	<u>59,869</u>

Change in plan assets

	2011	2010
Fair value of plan assets at beginning of year	61,491	51,780
Actual return on plan assets	2,912	3,018
Employer contributions	3,499	1,621
Plan participants' contributions	683	711
Benefits paid	(1,561)	(1,299)
Other	(1,336)	5,660
	<hr/>	<hr/>
Fair value of plan assets at the end of year	65,688	61,491
	<hr/>	<hr/>
Funded status and net amount recognised	13,453	1,622

Components of net periodic benefit cost

	2011	2010
Service cost	2,124	1,917
Interest cost	3,199	2,774
Expected return on plan assets	(2,912)	(3,018)
Amortization net actuarial (gain)/loss	(76)	-
Other	(341)	-
	<hr/>	<hr/>
Net periodic benefit cost	1,994	1,673
	<hr/>	<hr/>

The assumptions underlying the pension computation are as follows:

	2011	2010
Discount rate	6.2%	5.4%
Assumed rate of increase in compensation	2.3%	2.0%
Expected long-term rate of return on plan assets	3.4%	4.9%
Average participants' remaining service period (years)	19.2	19.6

The net periodic benefit cost includes an amount of EUR 520 related to defined contribution plan premiums.

B-9 Capital and reserves

The Company's authorized share capital consists of 3,207,500 ordinary shares with a nominal value of EUR 453.00 each, of which 641,500 shares are issued and paid up in full. The movements in capital and reserves are as follows:

	Issued share capital	Legal reserve	Currency Translation reserve	Other reserves	Retained earnings	Undistributed profit	Total
Balance as at 1 Jan. 2011	285,791	131,739	(93,592)	(34,981)	1,926,752	185,685	2,401,394
Appropriation of result 2010	-	-	-	-	185,685	(185,685)	-
Result for the year 2011	-	-	-	-	-	228,692	228,692
Capital Increase/decrease	4,815 ^a	-	-	-	-	-	4,815
Change related to pension liability	-	-	-	(85,966)	-	-	(85,966)
Movement in translation reserve	-	-	80,883	-	-	-	80,883
Transfer to legal reserve	-	10,291	-	-	(10,291)	-	-
Other	-	-	-	-	(13,661) ^b	-	(13,661)
Balance as at 31 Dec. 2011	290,606	142,030	(12,709)	(120,947)	2,088,485	228,692	2,616,157

Certain Group companies are required to appropriate their earnings to a legal reserve under the laws of the respective countries. This reserve is not available for distribution.

- a The Increase of share capital is related to the share capital of Canon Czech, Canon Hungary, Canon Poland, Canon Slovakia and Canon Eurasia.
- b Other movement for Retained earnings includes equity increase due to first time consolidation of Océ Schweiz A.G.

B-10 Income from financial fixed assets and securities

	2011	2010
Dividend income	435	2,555
Value adjustment investments / securities	-	(12,941)
Equity share in earnings of affiliated companies	120,916	108,092
	121,351	97,706

B-11 Commitments and contingencies

A summary of non-cancellable long-term lease commitments for buildings, office and other equipment is as follows:

Year ending 31 December:

2012	6,391
2013	4,804
2014	315
2015	210
2016	103

For the group companies and other business partners, guarantees have been given amounting to EUR 62,144 (2010: EUR 104,570).

- Canon Europa N.V.'s letters of support for debt of consolidated subsidiaries: EUR 50,393 (2010: 83,689).
- Bank guarantees related to non-payment of import duties by Canon Europa N.V.: EUR 11,751 (2010: 20,881).
- There were no standard guarantees in 2011 (Canon Europa N.V. is a direct guarantor) (2010: 0).

Per 31 December 2011, the Company had no non-cancellable purchase obligations.

B-12 Staff numbers and employment cost elements

Salaries, social security charges and pension costs have been allocated to selling, general and administrative expenses on the basis of each employee's function. Total salary costs amounted to EUR 37,589 (2010: EUR 37,366) and social security charges amounted to EUR 1,889 (2010: EUR 559). For pension, costs reference is made to note B-8 Provisions.

	2011	2010
Employees by function		
Sales and services	126	153
Management and administration	95	89
Distribution	99	93
ICT	163	177
	483	512

B-13 Audit Fees

The incurred audit fees for 2011 amount to EUR 619 (2010: EUR 739) and are included in General and Administrative Expenses. The audit fees represent charges incurred by our auditors in 2011 for professional services provided in connection with the audit of Canon Europa N.V.'s financial statements and review of the quarterly financial information, invoiced in the Netherlands. We did not engage our auditors for non-audit services in 2011.

B-14 Managing and supervisory directors

The Company has a Board of Directors, consisting of two directors (2010: two directors) and a Supervisory Board consisting of three members (2010: three members).

In 2011, total remuneration paid by the Group to the Board of Directors amounted to EUR 374 (2010: EUR 406). No remuneration was paid to the Supervisory Board in either 2010 or 2011.

Amsterdam, 20 July 2012

Board of Directors:

R. van Iperen
President & CEO
Canon Europa N.V.

P. Bueneri
Director A
Canon Europa N.V.

Supervisory Board of Directors:

T. Mitarai
Chairman & CEO
Canon Inc.

T. Tanaka
Executive Vice President & CFO
Canon Inc.

A. Wakiya
Executive Officer & Deputy Group Executive
Canon Inc.

Other information

Statutory appropriation of results

Article 18 of the Company's Articles of Association provides that retained earnings are at the disposal of the shareholder.

Proposed appropriation of results

No dividend for the year 2011 was distributed.

In anticipation of the Annual General Meeting's adoption of the Financial Statements, it is proposed that the full profit after tax for 2011 is added to retained earnings. The profit after tax for 2011 is included in the item undistributed profit in shareholder's equity.

Subsequent events

There are no material subsequent events which require disclosure and which have not already been discussed throughout the footnotes.

Independent Auditor's Report

The independent auditor's report is attached on the following page.

Independent auditor's report

To: Board of Directors and shareholder of Canon Europa N.V.

Report on the financial statements

We have audited the accompanying financial statements 2011 of Canon Europa N.V., Amsterdam, which comprise the consolidated and company balance sheet as at December 31, 2011, the consolidated and company profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the report of the Board of Directors, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of Canon Europa N.V. as at December 31, 2011 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the report of the Board of Directors, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the report of the Board of Directors, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Amsterdam, July 20, 2012

Ernst & Young Accountants LLP

signed by G.A. Arnoldt

We Speak Image

Canon Europa N.V.
Bovenkerkerweg 59-61, 1185 XB Amstelveen, The Netherlands

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Printed by Canon Europe Print Centre at Canon Giessen

Canon

Annex 8.3: Consolidated financial statements of the Target as of 31 December 2011, interim consolidated financial statements of the Target as of 30 June 2012 and press release issued by the Target on 5 February 2013 on the trends of the financial year 2012

40	13/08/2012	BE 0448.040.624	50	EUR		
NAT.	Date du dépôt	N°	P.	D.	12406.00073	C 1.1

COMPTES ANNUELS EN EUROS

Dénomination: **I.R.I.S. GROUP**

Forme juridique: Société anonyme

Adresse: rue du Bosquet

N°: 10

Boîte:

Code postal: 1435

Commune: Mont-Saint-Guibert

Pays: Belgique

Registre des personnes morales (RPM) - Tribunal de Commerce de Nivelles

Adresse Internet:

Numéro d'entreprise

BE 0448.040.624

Date du dépôt de l'acte constitutif ou du document le plus récent mentionnant la date de publication des actes constitutif et modificatif(s) des statuts.

16-01-2012

Comptes annuels approuvés par l'assemblée générale du

15-05-2012

et relatifs à l'exercice couvrant la période du

01-01-2011

au

31-12-2011

Exercice précédent du

01-01-2010

au

31-12-2010

Les montants relatifs à l'exercice précédent sont identiques à ceux publiés antérieurement.

Documents joints aux présents comptes annuels:

Numéros des sections du document normalisé non déposées parce que sans objet:

C 5.1, C 5.2.1, C 5.2.3, C 5.2.4, C 5.3.1, C 5.3.4, C 5.3.5, C 5.4.2, C 5.5.2, C 5.8, C 5.16

LISTE COMPLETE avec nom, prénoms, profession, domicile (adresse, numéro, code postal et commune) et fonction au sein de l'entreprise des ADMINISTRATEURS, GERANTS ET COMMISSAIRES

CLAUS Michel

Administrateur

Domaine du Bercuit Les Gottes 20

1390 Grez-Doiceau

BELGIQUE

Début de mandat: 17-05-2011

Fin de mandat: 19-05-2015

Administrateur

CONSTANT Gérard

Administrateur

rue du Calvaire 1a

5340 Mozet

BELGIQUE

Début de mandat: 17-05-2011

Fin de mandat: 19-05-2015

Administrateur

DE MUELENAERE Pierre

Administrateur

rue des Couteliers 24
1490 Court-Saint-Etienne
BELGIQUE

Début de mandat: 17-05-2011

Fin de mandat: 19-05-2015

Administrateur

GRÉGOIRE Jean-Louis
Administrateur
Rue de Chezy 6
92200 Neuilly-sur-Seine
FRANCE

Début de mandat: 17-05-2011

Fin de mandat: 19-05-2015

Administrateur

MARCHANDISE Thierry
Administrateur
Boulevard de Sébastopol 19
75001 Paris
FRANCE

Début de mandat: 17-05-2011

Fin de mandat: 19-05-2015

Administrateur

SONVEAUX Pierre
Administrateur
avenue du Bois 3
7090 Braine-le-Comte
BELGIQUE

Début de mandat: 17-05-2011

Fin de mandat: 19-05-2015

Administrateur

VAN DE KERCKHOVE Etienne
Administrateur
rue J. Mathieu 39
1300 Limal
BELGIQUE

Début de mandat: 17-05-2011

Fin de mandat: 19-05-2015

Administrateur

ERNST & YOUNG REVISEURS D'ENTREPRISES SCC (B 160)
BE 0446.334.711
De Kleetlaan 2
1831 Diegem
BELGIQUE

Début de mandat: 17-05-2011

Fin de mandat: 20-05-2014

Commissaire

Représenté directement ou indirectement
par:

MOREAU Marie-Laure (A01729)
Réviseur d'entreprise
Boulevard d'Avroy 38
4000 Liège
BELGIQUE

DÉCLARATION CONCERNANT UNE MISSION DE VÉRIFICATION OU DE REDRESSEMENT COMPLÉMENTAIRE

L'organe de gestion déclare qu'aucune mission de vérification ou de redressement n'a été confiée à une personne qui n'y est pas autorisée par la loi, en application des articles 34 et 37 de la loi du 22 avril 1999 relative aux professions comptables et fiscales.

Les comptes annuels n'ont pas été vérifiés ou corrigés par un expert-comptable externe, par un réviseur d'entreprises qui n'est pas le commissaire.

Dans l'affirmative, sont mentionnés dans le tableau ci-dessous: les nom, prénoms, profession et domicile; le numéro de membre auprès de son institut et la nature de la mission:

- A. La tenue des comptes de l'entreprise*,
- B. L'établissement des comptes annuels*,
- C. La vérification des comptes annuels et/ou
- D. Le redressement des comptes annuels.

Si des missions visées sous A. ou sous B. ont été accomplies par des comptables agréés ou par des comptables-fiscalistes agréés, peuvent être mentionnés ci-après: les nom, prénoms, profession et domicile de chaque comptable agréé ou comptable-fiscaliste agréé et son numéro de membre auprès de l'Institut Professionnel des Comptables et Fiscalistes agréés ainsi que la nature de sa mission.

* Mention facultative.

BILAN APRÈS RÉPARTITION

	Ann.	Codes	Exercice	Exercice précédent
ACTIF				
ACTIFS IMMOBILISÉS		20/28	<u>22.523.688</u>	<u>22.551.485</u>
Frais d'établissement	5.1	20		
Immobilisations incorporelles	5.2	21	41.116	48.266
Immobilisations corporelles	5.3	22/27	20.518	30.664
Terrains et constructions		22		
Installations, machines et outillage		23	20.008	15.864
Mobilier et matériel roulant		24	510	
Location-financement et droits similaires		25		
Autres immobilisations corporelles		26		
Immobilisations en cours et acomptes versés		27		14.800
Immobilisations financières	5.4/5.5.1	28	22.462.054	22.472.554
Entreprises liées	5.14	280/1	22.462.054	22.462.054
Participations		280	22.462.054	22.462.054
Créances		281		
Autres entreprises avec lesquelles il existe un lien de participation	5.14	282/3		
Participations		282		
Créances		283		
Autres immobilisations financières		284/8		10.500
Actions et parts		284		10.500
Créances et cautionnements en numéraire		285/8		
ACTIFS CIRCULANTS		29/58	<u>34.003.869</u>	<u>35.638.740</u>
Créances à plus d'un an		29		
Créances commerciales		290		
Autres créances		291		
Stocks et commandes en cours d'exécution		3		
Stocks		30/36		
Approvisionnements		30/31		
En-cours de fabrication		32		
Produits finis		33		
Marchandises		34		
Immeubles destinés à la vente		35		
Acomptes versés		36		
Commandes en cours d'exécution		37		
Créances à un an au plus		40/41	33.354.119	33.961.301
Créances commerciales		40	103.827	17.639
Autres créances		41	33.250.292	33.943.662
Placements de trésorerie	5.5.1/5.6	50/53	120.396	1.170.834
Actions propres		50	120.396	170.834
Autres placements		51/53		1.000.000
Valeurs disponibles		54/58	429.591	375.696
Comptes de régularisation	5.6	490/1	99.763	130.910
TOTAL DE L'ACTIF		20/58	<u>56.527.557</u>	<u>58.190.224</u>

	Ann.	Codes	Exercice	Exercice précédent
PASSIF				
CAPITAUX PROPRES		10/15	50.378.545	51.034.591
Capital	5.7	10	38.774.902	38.774.902
Capital souscrit		100	38.774.902	38.774.902
Capital non appelé		101		
Primes d'émission		11	6.610	6.610
Plus-values de réévaluation		12		
Réserves		13	11.597.033	12.253.078
Réserve légale		130	1.050.181	1.017.705
Réerves indisponibles		131	120.396	388.334
Pour actions propres		1310	120.396	170.834
Autres		1311		217.500
Réerves immunisées		132		
Réerves disponibles		133	10.426.457	10.847.039
Bénéfice (Perte) reporté(e)	(+)/(-)	14		
Subsides en capital		15		
Avance aux associés sur répartition de l'actif net		19		
PROVISIONS ET IMPÔTS DIFFÉRÉS		16		
Provisions pour risques et charges		160/5		
Pensions et obligations similaires		160		
Charges fiscales		161		
Grosses réparations et gros entretien		162		
Autres risques et charges	5.8	163/5		
Impôts différés		168		
DETTES		17/49	6.149.012	7.155.634
Dettes à plus d'un an	5.9	17	2.100.000	3.500.000
Dettes financières		170/4	2.100.000	3.500.000
Emprunts subordonnés		170		
Emprunts obligataires non subordonnés		171		
Dettes de location-financement et assimilées		172		
Etablissements de crédit		173		
Autres emprunts		174	2.100.000	3.500.000
Dettes commerciales		175		
Fournisseurs		1750		
Effets à payer		1751		
Acomptes reçus sur commandes		176		
Autres dettes		178/9		
Dettes à un an au plus		42/48	4.024.802	3.623.305
Dettes à plus d'un an échéant dans l'année	5.9	42	1.400.000	1.400.000
Dettes financières		43		
Etablissements de crédit		430/8		
Autres emprunts		439		
Dettes commerciales		44	135.805	228.067
Fournisseurs		440/4	135.805	228.067
Effets à payer		441		
Acomptes reçus sur commandes		46		
Dettes fiscales, salariales et sociales	5.9	45	209.013	122.856
Impôts		450/3	75.160	10.982
Rémunérations et charges sociales		454/9	133.852	111.874
Autres dettes		47/48	2.279.984	1.872.382
Comptes de régularisation	5.9	492/3	24.210	32.328
TOTAL DU PASSIF		10/49	56.527.557	58.190.224

COMPTE DE RÉSULTATS

	Ann.	Codes	Exercice	Exercice précédent
Ventes et prestations		70/74	2.318.496	2.103.913
Chiffre d'affaires	5.10	70	2.119.061	1.972.303
En-cours de fabrication, produits finis et commandes en cours d'exécution: augmentation (réduction) (+)/(-)		71		12.617
Production immobilisée		72		118.993
Autres produits d'exploitation	5.10	74	199.436	
Coût des ventes et des prestations		60/64	2.239.626	2.075.751
Approvisionnements et marchandises		60		
Achats		600/8		
Stocks: réduction (augmentation) (+)/(-)		609		967.060
Services et biens divers		61	1.128.717	1.044.811
Rémunérations, charges sociales et pensions (+)/(-)	5.10	62	1.074.999	
Amortissements et réductions de valeur sur frais d'établissement, sur immobilisations incorporelles et corporelles		630	35.911	63.739
Réductions de valeur sur stocks, sur commandes en cours d'exécution et sur créances commerciales: dotations (reprises) (+)/(-)		631/4		
Provisions pour risques et charges: dotations (utilisations et reprises) (+)/(-)	5.10	635/7		
Autres charges d'exploitation	5.10	640/8		141
Charges d'exploitation portées à l'actif au titre de frais de restructuration (-)		649		
Bénéfice (Perte) d'exploitation (+)/(-)		9901	78.870	28.162
Produits financiers		75	785.647	3.877.658
Produits des immobilisations financières		750	68.385	3.807.109
Produits des actifs circulants		751	669.186	6.505
Autres produits financiers	5.11	752/9	48.075	64.044
Charges financières	5.11	65	211.220	285.706
Charges des dettes		650	188.330	251.719
Réductions de valeur sur actifs circulants autres que stocks, commandes en cours et créances commerciales: dotations (reprises) (+)/(-)		651		
Autres charges financières		652/9	22.890	33.987
Bénéfice (Perte) courant(e) avant impôts (+)/(-)		9902	653.297	3.620.114
Produits exceptionnels		76		
Reprises d'amortissements et de réductions de valeur sur immobilisations incorporelles et corporelles		760		
Reprises de réductions de valeur sur immobilisations financières		761		
Reprises de provisions pour risques et charges exceptionnels		762		
Plus-values sur réalisation d'actifs immobilisés		763		
Autres produits exceptionnels	5.11	764/9		
Charges exceptionnelles		66		
Amortissements et réductions de valeur exceptionnels sur frais d'établissement, sur immobilisations incorporelles et corporelles		660		
Réductions de valeur sur immobilisations financières		661		
Provisions pour risques et charges exceptionnels: dotations (utilisations) (+)/(-)		662		
Moins-values sur réalisation d'actifs immobilisés		663		
Autres charges exceptionnelles	5.11	664/8		
Charges exceptionnelles portées à l'actif au titre de frais de restructuration (-)		669		
Bénéfice (Perte) de l'exercice avant impôts (+)/(-)		9903	653.297	3.620.114
Prélèvements sur les impôts différés		780		
Transfert aux impôts différés		680		
Impôts sur le résultat (+)/(-)	5.12	67/77	3.791	971
Impôts		670/3	3.791	971

N° BE 0448.040.624

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	Ann.	Codes	Exercice	Exercice précédent
Régularisations d'impôts et reprises de provisions fiscales		77		
Bénéfice (Perte) de l'exercice	(+)/(=)	9904	649.505	3.619.143
Prélèvements sur les réserves immunisées		789		
Transfert aux réserves immunisées		689		
Bénéfice (Perte) de l'exercice à affecter	(+)/(=)	9905	649.505	3.619.143

AFFECTATIONS ET PRÉLÈVEMENTS

	Codes	Exercice	Exercice précédent
Bénéfice (Perte) à affecter	(+)(-)		
Bénéfice (Perte) de l'exercice à affecter	9906	649.505	3.619.143
Bénéfice (Perte) reporté(e) de l'exercice précédent	9905	649.505	3.619.143
	14P		
Prélèvements sur les capitaux propres	791/2	906.020	
sur le capital et les primes d'émission	791		
sur les réserves	792	906.020	
Affectations aux capitaux propres	691/2	249.975	2.556.052
au capital et aux primes d'émission	691		
à la réserve légale	6920	32.475	180.957
aux autres réserves	6921	217.500	2.375.095
Bénéfice (Perte) à reporter	(+)(-)	14	
Intervention d'associés dans la perte	794		
Bénéfice à distribuer	694/6	1.305.550	1.063.091
Rémunération du capital	694	1.305.550	1.063.091
Administrateurs ou gérants	695		
Autres allocataires	696		

**ANNEXE
ETAT DES IMMOBILISATIONS INCORPORELLES**

	Codes	Exercice	Exercice précédent
CONCESSIONS, BREVETS, LICENCES, SAVOIR-FAIRE, MARQUES ET DROITS SIMILAIRES			
Valeur d'acquisition au terme de l'exercice	8052P	XXXXXXXXXX	225.584
Mutations de l'exercice			
Acquisitions, y compris la production immobilisée	8022	1.419	
Cessions et désaffectations	8032		
Transferts d'une rubrique à une autre (+)/(-)	8042	14.800	
Valeur d'acquisition au terme de l'exercice	8052	241.803	
Amortissements et réductions de valeur au terme de l'exercice	8122P	XXXXXXXXXX	177.318
Mutations de l'exercice			
Actés	8072	23.362	
Repris	8082		
Acquis de tiers	8092	7	
Annulés à la suite de cessions et désaffectations	8102		
Transférés d'une rubrique à une autre (+)/(-)	8112		
Amortissements et réductions de valeur au terme de l'exercice	8122	200.687	
VALEUR COMPTABLE NETTE AU TERME DE L'EXERCICE	211	41.116	

ETAT DES IMMOBILISATIONS CORPORELLES

	Codes	Exercice	Exercice précédent
INSTALLATIONS, MACHINES ET OUTILLAGE			
Valeur d'acquisition au terme de l'exercice	8192P	XXXXXXXXXX	28.532
Mutations de l'exercice			
Acquisitions, y compris la production immobilisée	8162	16.674	
Cessions et désaffectations	8172		
Transferts d'une rubrique à une autre (+)/(-)	8182	-500	
Valeur d'acquisition au terme de l'exercice	8192	44.706	
Plus-values au terme de l'exercice	8252P	XXXXXXXXXX	
Mutations de l'exercice			
Actées	8212		
Acquises de tiers	8222		
Annulées	8232		
Transférées d'une rubrique à une autre (+)/(-)	8242		
Plus-values au terme de l'exercice	8252		
Amortissements et réductions de valeur au terme de l'exercice	8322P	XXXXXXXXXX	12.668
Mutations de l'exercice			
Actés	8272	12.206	
Repris	8282		
Acquis de tiers	8292		
Annulés à la suite de cessions et désaffectations	8302		
Transférés d'une rubrique à une autre (+)/(-)	8312	-177	
Amortissements et réductions de valeur au terme de l'exercice	8322	24.697	
VALEUR COMPTABLE NETTE AU TERME DE L'EXERCICE	23	20.008	

	Codes	Exercice	Exercice précédent
MOBILIER ET MATÉRIEL ROULANT			
Valeur d'acquisition au terme de l'exercice	8193P	XXXXXXXXXX	
Mutations de l'exercice			
Acquisitions, y compris la production immobilisée	8163	529	
Cessions et désaffectations	8173		
Transferts d'une rubrique à une autre (+)/(-)	8183	500	
Valeur d'acquisition au terme de l'exercice	8193	1.029	
Plus-values au terme de l'exercice	8253P	XXXXXXXXXX	
Mutations de l'exercice			
Actées	8213		
Acquises de tiers	8223		
Annulées	8233		
Transférées d'une rubrique à une autre (+)/(-)	8243		
Plus-values au terme de l'exercice	8253		
Amortissements et réductions de valeur au terme de l'exercice	8323P	XXXXXXXXXX	
Mutations de l'exercice			
Actés	8273	342	
Repris	8283		
Acquis de tiers	8293		
Annulés à la suite de cessions et désaffectations	8303		
Transférés d'une rubrique à une autre (+)/(-)	8313	177	
Amortissements et réductions de valeur au terme de l'exercice	8323	519	
VALEUR COMPTABLE NETTE AU TERME DE L'EXERCICE	24	510	

	Codes	Exercice	Exercice précédent
IMMOBILISATIONS EN COURS ET ACOMPTES VERSÉS			
Valeur d'acquisition au terme de l'exercice	8196P	XXXXXXXXXX	14.800
Mutations de l'exercice			
Acquisitions, y compris la production immobilisée	8166		
Cessions et désaffectations	8176		
Transferts d'une rubrique à une autre	(+)(-) 8186	-14.800	
Valeur d'acquisition au terme de l'exercice	8196		
Plus-values au terme de l'exercice	8256P	XXXXXXXXXX	
Mutations de l'exercice			
Actées	8216		
Acquises de tiers	8226		
Annulées	8236		
Transférées d'une rubrique à une autre	(+)(-) 8246		
Plus-values au terme de l'exercice	8256		
Amortissements et réductions de valeur au terme de l'exercice	8326P	XXXXXXXXXX	
Mutations de l'exercice			
Actés	8276		
Repris	8286		
Acquis de tiers	8296		
Annulés à la suite de cessions et désaffectations	8306		
Transférés d'une rubrique à une autre	(+)(-) 8316		
Amortissements et réductions de valeur au terme de l'exercice	8326		
VALEUR COMPTABLE NETTE AU TERME DE L'EXERCICE	27		

ETAT DES IMMOBILISATIONS FINANCIÈRES

	Codes	Exercice	Exercice précédent
ENTREPRISES LIÉES - PARTICIPATIONS, ACTIONS ET PARTS			
Valeur d'acquisition au terme de l'exercice	8391P	XXXXXXXXXX	24.443.499
Mutations de l'exercice			
Acquisitions	8361		
Cessions et retraits	8371		
Transferts d'une rubrique à une autre	(+)/(-) 8381		
Valeur d'acquisition au terme de l'exercice	8391	24.443.499	
Plus-values au terme de l'exercice	8451P	XXXXXXXXXX	
Mutations de l'exercice			
Actées	8411		
Acquises de tiers	8421		
Annulées	8431		
Transférées d'une rubrique à une autre	(+)/(-) 8441		
Plus-values au terme de l'exercice	8451		
Réductions de valeur au terme de l'exercice	8521P	XXXXXXXXXX	1.845.103
Mutations de l'exercice			
Actées	8471		
Reprises	8481		
Acquises de tiers	8491		
Annulées à la suite de cessions et retraits	8501		
Transférées d'une rubrique à une autre	(+)/(-) 8511		
Réductions de valeur au terme de l'exercice	8521	1.845.103	
Montants non appelés au terme de l'exercice	8551P	XXXXXXXXXX	136.341
Mutations de l'exercice	(+)/(-) 8541		
Montants non appelés au terme de l'exercice	8551	136.341	
VALEUR COMPTABLE NETTE AU TERME DE L'EXERCICE	280	22.462.054	
ENTREPRISES LIÉES - CRÉANCES			
VALEUR COMPTABLE NETTE AU TERME DE L'EXERCICE	281P	XXXXXXXXXX	
Mutations de l'exercice			
Additions	8581		
Remboursements	8591		
Réductions de valeur actées	8601		
Réductions de valeur reprises	8611		
Différences de change	(+)/(-) 8621		
Autres	(+)/(-) 8631		
VALEUR COMPTABLE NETTE AU TERME DE L'EXERCICE	281		
RÉDUCTIONS DE VALEUR CUMULÉES SUR CRÉANCES AU TERME DE L'EXERCICE	8651		

	Codes	Exercice	Exercice précédent
AUTRES ENTREPRISES - PARTICIPATIONS, ACTIONS ET PARTS			
Valeur d'acquisition au terme de l'exercice	8393P	XXXXXXXXXX	10.500
Mutations de l'exercice			
Acquisitions	8363		
Cessions et retraits	8373	10.500	
Transferts d'une rubrique à une autre	(+)/(-) 8383		
Valeur d'acquisition au terme de l'exercice	8393		
Plus-values au terme de l'exercice	8453P	XXXXXXXXXX	
Mutations de l'exercice			
Actées	8413		
Acquises de tiers	8423		
Annulées	8433		
Transférées d'une rubrique à une autre	(+)/(-) 8443		
Plus-values au terme de l'exercice	8453		
Réductions de valeur au terme de l'exercice	8523P	XXXXXXXXXX	
Mutations de l'exercice			
Actées	8473		
Reprises	8483		
Acquises de tiers	8493		
Annulées à la suite de cessions et retraits	8503		
Transférées d'une rubrique à une autre	(+)/(-) 8513		
Réductions de valeur au terme de l'exercice	8523		
Montants non appelés au terme de l'exercice	8553P	XXXXXXXXXX	
Mutations de l'exercice	(+)/(-) 8543		
Montants non appelés au terme de l'exercice	8553		
VALEUR COMPTABLE NETTE AU TERME DE L'EXERCICE	284		
AUTRES ENTREPRISES - CRÉANCES			
VALEUR COMPTABLE NETTE AU TERME DE L'EXERCICE	285/8P	XXXXXXXXXX	
Mutations de l'exercice			
Additions	8583		
Remboursements	8593		
Réductions de valeur actées	8603		
Réductions de valeur reprises	8613		
Différences de change	(+)/(-) 8623		
Autres	(+)/(-) 8633		
VALEUR COMPTABLE NETTE AU TERME DE L'EXERCICE	285/8		
RÉDUCTIONS DE VALEUR CUMULÉES SUR CRÉANCES AU TERME DE L'EXERCICE	8653		

INFORMATION RELATIVE AUX PARTICIPATIONS**PARTICIPATIONS ET DROITS SOCIAUX DÉTENUS DANS D'AUTRES ENTREPRISES**

Sont mentionnées ci-après, les entreprises dans lesquelles l'entreprise détient une participation (comprise dans les rubriques 280 et 282 de l'actif) ainsi que les autres entreprises dans lesquelles l'entreprise détient des droits sociaux (compris dans les rubriques 284 et 51/53 de l'actif) représentant 10% au moins du capital souscrit.

DÉNOMINATION, adresse complète du SIÈGE et pour les entreprises de droit belge, mention du NUMÉRO D'ENTREPRISE	Droits sociaux détenus			Données extraites des derniers comptes annuels disponibles			
	directement		par les filiales	Comptes annuels arrêtés au	Code devise	Capitaux propres	Résultat net
	Nombre	%	%			(+ ou -) (en unités)	
I.R.I.S. BE 0430.824.708 Société anonyme rue du Bosquet 10 1435 Mont-Saint-Guibert BELGIQUE Nominatives	426.102	99,97	0,03	31-12-2011	EUR	5.211.920	3.144.924
I.R.I.S. SOLUTIONS & EXPERTS EUROPE BE 0457.859.992 Société anonyme rue du Bosquet 10 1435 Mont-Saint-Guibert BELGIQUE Nominatives	30.000	99,99	0,01	31-12-2011	EUR	2.323.429	60.535
I.R.I.S. FRANCE FRFR4639258827300 Société anonyme Avenue de la Victoire 68 F-94310 Orly FRANCE Nominatives	873.208	100		31-12-2011	EUR	-340.034	-1.479.071
IRIS FINANCIAL SERVICES LU15533328 Société anonyme route des 3 Cantons 11 L-8399 Windhof LUXEMBOURG Nominatives	1.999	99,95	0,05	31-12-2011	EUR	800.977	-409.973
IRIS INC Société étrangère West Atlantic Avenue Suite B1&B2 4731 33445 Delray Beach, Florida ETATS-UNIS				31-12-2011	USD	1.601.596	651.563

N°	BE 0448.040.624			C 5.5.1			
Nominatives	6.000	100					
I.R.I.S. ICT BE 0449.223.727 Société anonyme Mechelsesteenweg 542 1800 Vilvoorde BELGIQUE				31-12-2011	EUR	3.486.946	-61.596
Nominatives	1.499	99,93	0,07				
I.R.I.S. SOLUTIONS & EXPERTS BE 0882.094.937 Société anonyme rue du Bosquet 10 1435 Mont-Saint-Guibert BELGIQUE				31-12-2011	EUR	4.347.609	537.341
Nominatives	3.022	99,97	0,03				
I.R.I.S. (LUXEMBOURG) LU19619943 Société anonyme rue des 3 Cantons 11 L-8399 Windhof LUXEMBOURG				31-12-2011	EUR	618.428	-318.723
Nominatives	1	0,05	99,95				
I.R.I.S. HK LTD HK1204748 Société étrangère Hung To Road 37-39 Kowloon HONG-KONG				31-12-2011	HKD	868.695	572.178
Nominatives	10.000	100					
I.R.I.S. NORDIC NO992930934 Société étrangère C.J. Hambros Plass 2C 0164 Oslo NORVÈGE				31-12-2011	NOK	-4.531.872	-263.215
Nominatives	1.000	100					
I.R.I.S. DENMARK DK33042485 Société anonyme Tuborg boulevard 12 2900 Hellerup DANEMARK				31-12-2011	DKK	-3.451.185	-2.814.115
Nominatives	80.000	100					

PLACEMENTS DE TRÉSORERIE ET COMPTES DE RÉGULARISATION DE L'ACTIF**PLACEMENTS DE TRÉSORERIE - AUTRES PLACEMENTS****Actions et parts**

Valeur comptable augmentée du montant non appelé
Montant non appelé

Titres à revenu fixe

Titres à revenu fixe émis par des établissements de crédit

Comptes à terme détenus auprès des établissements de crédit

Avec une durée résiduelle ou de préavis
d'un mois au plus
de plus d'un mois à un an au plus
de plus d'un an

Autres placements de trésorerie non repris ci-avant

Codes	Exercice	Exercice précédent
51		
8681		
8682		
52		
8684		
53		1.000.000
8686		1.000.000
8687		
8688		
8689		

COMPTES DE RÉGULARISATION**Ventilation de la rubrique 490/1 de l'actif si celle-ci représente un montant important**

Charges de maintenance à reporter
Charges de matériel informatique à reporter
Charges d'assurances à reporter
Charges de recrutement à reporter
Charge de cotisation à reporter
Charges d'honoraires à reporter
Intérêts créditeurs courus

Exercice
24.948
1.766
22.529
23.685
5.563
18.647
2.624

ETAT DU CAPITAL ET STRUCTURE DE L'ACTIONNARIAT

ETAT DU CAPITAL

Capital social

Capital souscrit au terme de l'exercice
Capital souscrit au terme de l'exercice

Codes	Exercice	Exercice précédent
100P	XXXXXXXXXX	38.774.902
100	38.774.902	

Modifications au cours de l'exercice

Représentation du capital

Catégories d'actions
Actions sans désignation de valeur nominale

Codes	Montants	Nombre d'actions
	38.774.902	1.865.072
8702	XXXXXXXXXX	330.719
8703	XXXXXXXXXX	1.534.353

Actions nominatives
Actions au porteur et/ou dématérialisées

Capital non libéré

Capital non appelé
Capital appelé, non versé
Actionnaires redevables de libération

Codes	Montant non appelé	Montant appelé non versé
101		XXXXXXXXXX
8712	XXXXXXXXXX	

Actions propres

Détenues par la société elle-même
Montant du capital détenu
Nombre d'actions correspondantes
Détenues par ses filiales
Montant du capital détenu
Nombre d'actions correspondantes

Codes	Exercice
8721	105.613
8722	5.080
8731	397.214
8732	19.106
8740	
8741	
8742	
8745	51.667
8746	1.971.050
8747	51.667
8751	36.731.950

Engagement d'émission d'actions

Suite à l'exercice de droits de conversion
Montant des emprunts convertibles en cours
Montant du capital à souscrire
Nombre maximum correspondant d'actions à émettre
Suite à l'exercice de droits de souscription
Nombre de droits de souscription en circulation
Montant du capital à souscrire
Nombre maximum correspondant d'actions à émettre

Capital autorisé non souscrit

Parts non représentatives du capital

Répartition
Nombre de parts
Nombre de voix qui y sont attachées
Ventilation par actionnaire
Nombre de parts détenues par la société elle-même
Nombre de parts détenues par les filiales

Codes	Exercice
8761	
8762	
8771	
8781	

STRUCTURE DE L'ACTIONNARIAT DE L'ENTREPRISE À LA DATE DE CLÔTURE DE SES COMPTES, TELLE QU'ELLE RÉSULTE DES DÉCLARATIONS REÇUES PAR L'ENTREPRISE

Sur base des déclarations de transparence reçues à ce jour :

La société Baillie Gifford Overseas Limited détient 55.733 actions représentant 2,99 % du capital tel qu'il en résulte de la déclaration de

N°

BE 0448.040.624

C 5.7

transparence du 27 octobre 2008

La société Raynive SA détient 81.446 actions représentant 4,37 % du capital tel qu'il en résulte de la déclaration de transparence du 31 octobre 2008

La société FIN.CO détient 62.398 actions représentant 3,35 % du capital tel qu'il en résulte de la déclaration de transparence du 2 juillet 2009

La société Canon Europa N.V. détient 314.790 actions représentant 16,88 % du capital tel qu'il en résulte de la déclaration de transparence du 22 juillet 2009

Pierre De Muelenaere détient 47.645 actions représentant 2,55 % du capital et 8.500 instruments financiers assimilés tel qu'il en résulte de la déclaration de transparence du 22 juillet 2009

Etienne Van de Kerckhove détient 6.360 actions représentant 0,34 % du capital et 8.500 instruments financiers assimilés tel qu'il en résulte de la déclaration de transparence du 23 juillet 2009

ETAT DES DETTES ET COMPTES DE RÉGULARISATION DU PASSIF

VENTILATION DES DETTES À L'ORIGINE À PLUS D'UN AN, EN FONCTION DE LEUR DURÉE RÉSIDUELLE

Dettes à plus d'un an échéant dans l'année

- Dettes financières
 - Emprunts subordonnés
 - Emprunts obligataires non subordonnés
 - Dettes de location-financement et assimilées
 - Etablissements de crédit
 - Autres emprunts
- Dettes commerciales
 - Fournisseurs
 - Effets à payer
- Acomptes reçus sur commandes
- Autres dettes

Codes	Exercice
8801	1.400.000
8811	
8821	
8831	
8841	
8851	1.400.000
8861	
8871	
8881	
8891	
8901	
42	1.400.000
8802	2.100.000
8812	
8822	
8832	
8842	
8852	2.100.000
8862	
8872	
8882	
8892	
8902	
8912	2.100.000
8803	
8813	
8823	
8833	
8843	
8853	
8863	
8873	
8883	
8893	
8903	
8913	

Total des dettes à plus d'un an échéant dans l'année

Dettes ayant plus d'un an mais 5 ans au plus à courir

- Dettes financières
 - Emprunts subordonnés
 - Emprunts obligataires non subordonnés
 - Dettes de location-financement et assimilées
 - Etablissements de crédit
 - Autres emprunts
- Dettes commerciales
 - Fournisseurs
 - Effets à payer
- Acomptes reçus sur commandes
- Autres dettes

Total des dettes ayant plus d'un an mais 5 ans au plus à courir

Dettes ayant plus de 5 ans à courir

- Dettes financières
 - Emprunts subordonnés
 - Emprunts obligataires non subordonnés
 - Dettes de location-financement et assimilées
 - Etablissements de crédit
 - Autres emprunts
- Dettes commerciales
 - Fournisseurs
 - Effets à payer
- Acomptes reçus sur commandes
- Autres dettes

Total des dettes ayant plus de 5 ans à courir

DETTES GARANTIES

Dettes garanties par les pouvoirs publics belges

- Dettes financières
 - Emprunts subordonnés
 - Emprunts obligataires non subordonnés
 - Dettes de location-financement et assimilées
 - Etablissements de crédit
 - Autres emprunts
- Dettes commerciales
 - Fournisseurs
 - Effets à payer
- Acomptes reçus sur commandes
- Dettes salariales et sociales
- Autres dettes

Total des dettes garanties par les pouvoirs publics belges

Dettes garanties par des sûretés réelles constituées ou irrévocablement promises sur les actifs de l'entreprise

- Dettes financières
 - Emprunts subordonnés

Codes	Exercice
8921	
8931	
8941	
8951	
8961	
8971	
8981	
8991	
9001	
9011	
9021	
9051	
9061	
8922	
8932	

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Emprunts obligataires non subordonnés
Dettes de location-financement et assimilées
Etablissements de crédit
Autres emprunts
Dettes commerciales
Fournisseurs
Effets à payer
Acomptes reçus sur commandes
Dettes fiscales, salariales et sociales
Impôts
Rémunérations et charges sociales
Autres dettes
Total des dettes garanties par des sûretés réelles constituées ou irrévocablement promises sur les actifs de l'entreprise

Codes	Exercice
8942	
8952	
8962	
8972	
8982	
8992	
9002	
9012	
9022	
9032	
9042	
9052	
9062	

DETTES FISCALES, SALARIALES ET SOCIALES

Impôts

Dettes fiscales échues
Dettes fiscales non échues
Dettes fiscales estimées

Rémunérations et charges sociales

Dettes échues envers l'Office National de Sécurité Sociale
Autres dettes salariales et sociales

Codes	Exercice
9072	
9073	75.160
450	
9076	
9077	133.852

COMPTES DE RÉGULARISATION

Ventilation de la rubrique 492/3 du passif si celle-ci représente un montant important
Charges bancaires à imputer

Exercice
24.210

RÉSULTATS FINANCIERS ET EXCEPTIONNELS**RÉSULTATS FINANCIERS****Autres produits financiers**

Subsides accordés par les pouvoirs publics et imputés au compte de résultats

Subsides en capital

9125

Subsides en intérêts

9126

Ventilation des autres produits financiers

Ecart de conversions des devises

33.619

28.455

Différences de changes

20

35.589

Plus-values sur actions propres

12.337

0

Plus-value sur autres actions

2.100

0

Amortissement des frais d'émission d'emprunts et des primes de remboursement

6501

Intérêts intercalaires portés à l'actif

6503

Réductions de valeur sur actifs circulants

Actées

6510

Reprises

6511

Autres charges financières

Montant de l'escompte à charge de l'entreprise sur la négociation de créances

653

Provisions à caractère financier

Dotations

6560

Utilisations et reprises

6561

Ventilation des autres charges financières

Frais bancaires

13.229

24.112

Ecart de conversion des devises

9.633

8.923

Différences de changes

16

952

Différences de paiement

12

0

RÉSULTATS EXCEPTIONNELS**Ventilation des autres produits exceptionnels****Ventilation des autres charges exceptionnelles**

Exercice

IMPÔTS ET TAXES**IMPÔTS SUR LE RÉSULTAT****Impôts sur le résultat de l'exercice**

Impôts et précomptes dus ou versés
Excédent de versements d'impôts ou de précomptes porté à l'actif
Suppléments d'impôts estimés

Impôts sur le résultat d'exercices antérieurs

Suppléments d'impôts dus ou versés
Suppléments d'impôts estimés ou provisionnés

Principales sources de disparités entre le bénéfice avant impôts, exprimé dans les comptes, et le bénéfice taxable estimé

Dépenses non admises
Revenus définitivement taxés
Intérêts notionnels

Codes	Exercice
9134	974
9135	974
9136	
9137	
9138	2.818
9139	2.818
9140	
	59.258
	-62.628
	-649.926

Incidence des résultats exceptionnels sur le montant des impôts sur le résultat de l'exercice**Sources de latences fiscales**

Latences actives
Pertes fiscales cumulées, déductibles des bénéfices taxables ultérieurs
Autres latences actives
Intérêts notionnels à reporter

Latences passives
Ventilation des latences passives

Codes	Exercice
9141	
9142	
	631.335
9144	

TAXES SUR LA VALEUR AJOUTÉE ET IMPÔTS À CHARGE DE TIERS**Taxes sur la valeur ajoutée, portées en compte**

A l'entreprise (déductibles)
Par l'entreprise

Montants retenus à charge de tiers, au titre de

Précompte professionnel
Précompte mobilier

Codes	Exercice	Exercice précédent
9145	213.100	174.014
9146	363.019	444.818
9147	203.070	211.469
9148	142.564	123.339

DROITS ET ENGAGEMENTS HORS BILAN**GARANTIES PERSONNELLES CONSTITUÉES OU IRRÉVOCABLEMENT PROMISES PAR L'ENTREPRISE POUR SÛRETÉ DE DETTES OU D'ENGAGEMENTS DE TIERS****Dont**

Effets de commerce en circulation endossés par l'entreprise
 Effets de commerce en circulation tirés ou avalisés par l'entreprise
 Montant maximum à concurrence duquel d'autres engagements de tiers sont garantis par l'entreprise

GARANTIES RÉELLES**Garanties réelles constituées ou irrévocablement promises par l'entreprise sur ses actifs propres pour sûreté de dettes et engagements de l'entreprise**

Hypothèques
 Valeur comptable des immeubles grevés
 Montant de l'inscription
 Gages sur fonds de commerce - Montant de l'inscription
 Gages sur d'autres actifs - Valeur comptable des actifs gagés
 Sûretés constituées sur actifs futurs - Montant des actifs en cause

Garanties réelles constituées ou irrévocablement promises par l'entreprise sur ses actifs propres pour sûreté de dettes et engagements de tiers

Hypothèques
 Valeur comptable des immeubles grevés
 Montant de l'inscription
 Gages sur fonds de commerce - Montant de l'inscription
 Gages sur d'autres actifs - Valeur comptable des actifs gagés
 Sûretés constituées sur actifs futurs - Montant des actifs en cause

BIENS ET VALEURS DÉTENUS PAR DES TIERS EN LEUR NOM MAIS AUX RISQUES ET PROFITS DE L'ENTREPRISE, S'ILS NE SONT PAS PORTÉS AU BILAN**ENGAGEMENTS IMPORTANTS D'ACQUISITION D'IMMOBILISATIONS****ENGAGEMENTS IMPORTANTS DE CESSIION D'IMMOBILISATIONS****MARCHÉ À TERME**

Marchandises achetées (à recevoir)

Marchandises vendues (à livrer)

Devises achetées (à recevoir)

Devises vendues (à livrer)

Codes	Exercice
9149	2.051.794
9150	
9151	
9153	2.051.794
9161	
9171	
9181	
9191	
9201	
9162	
9172	
9182	
9192	
9202	
9213	
9214	
9215	
9216	

ENGAGEMENTS RÉSULTANT DE GARANTIES TECHNIQUES ATTACHÉES À DES VENTES OU PRESTATIONS DÉJÀ EFFECTUÉES**LITIGES IMPORTANTS ET AUTRES ENGAGEMENTS IMPORTANTS****LE CAS ÉCHÉANT, DESCRIPTION SUCCINCTE DU RÉGIME COMPLÉMENTAIRE DE PENSION DE RETRAITE OU DE SURVIE INSTAURÉ AU PROFIT DU PERSONNEL OU DES DIRIGEANTS ET DES MESURES PRISES POUR EN COUVRIR LA CHARGE**

Un plan d'assurance pension a été mis en place au cours de l'année 2006. Ce plan est un plan à cotisations définies et la société n'a aucune autre obligation que le paiement des primes mensuelles (comptabilisées en compte de résultats au cours de l'exercice).

N° BE 0448.040.624

C 5.13

PENSIONS DONT LE SERVICE INCOMBE À L'ENTREPRISE ELLE-MÊME

Montant estimé des engagements résultant, pour l'entreprise, de prestations déjà effectuées

Bases et méthodes de cette estimation

Code	Exercice
9220	0

NATURE ET OBJECTIF COMMERCIAL DES OPÉRATIONS NON INSCRITES AU BILAN

A condition que les risques ou les avantages découlant de ces opérations soient significatifs et dans la mesure où la divulgation des risques ou avantages soit nécessaire pour l'appréciation de la situation financière de la société; le cas échéant, les conséquences financières de ces opérations pour la société doivent également être mentionnées:

RELATIONS AVEC LES ENTREPRISES LIÉES ET LES ENTREPRISES AVEC LESQUELLES IL EXISTE UN LIEN DE PARTICIPATION

	Codes	Exercice	Exercice précédent
ENTREPRISES LIÉES			
Immobilisations financières	280/1	22.462.054	22.462.054
Participations	280	22.462.054	22.462.054
Créances subordonnées	9271		
Autres créances	9281		
Créances sur les entreprises liées	9291	33.337.354	33.899.572
A plus d'un an	9301		
A un an au plus	9311	33.337.354	33.899.572
Placements de trésorerie	9321		
Actions	9331		
Créances	9341		
Dettes	9351	577.774	426.831
A plus d'un an	9361		
A un an au plus	9371	577.774	426.831
Garanties personnelles et réelles			
Constituées ou irrévocablement promises par l'entreprise pour sûreté de dettes ou d'engagements d'entreprises liées	9381	2.018.794	4.944.137
Constituées ou irrévocablement promises par des entreprises liées pour sûreté de dettes ou d'engagements de l'entreprise	9391	33.000	33.000
Autres engagements financiers significatifs	9401		
Résultats financiers			
Produits des immobilisations financières	9421	68.385	3.805.498
Produits des actifs circulants	9431	662.693	
Autres produits financiers	9441		
Charges des dettes	9461	9.474	13.963
Autres charges financières	9471		
Cession d'actifs immobilisés			
Plus-values réalisées	9481		
Moins-values réalisées	9491		
ENTREPRISES AVEC UN LIEN DE PARTICIPATION			
Immobilisations financières	282/3		
Participations	282		
Créances subordonnées	9272		
Autres créances	9282		
Créances	9292		
A plus d'un an	9302		
A un an au plus	9312		
Dettes	9352		
A plus d'un an	9362		
A un an au plus	9372		

TRANSACTIONS AVEC DES PARTIES LIÉES EFFECTUÉES DANS DES CONDITIONS AUTRES QUE CELLES DU MARCHÉ

Mention de telles transactions, si elles sont significatives, y compris le montant et indication de la nature des rapports avec la partie liée, ainsi que toute autre information sur les transactions qui serait nécessaire pour obtenir une meilleure compréhension de la position financière de la société

Néant

Exercice

RELATIONS FINANCIÈRES AVEC

LES ADMINISTRATEURS ET GÉRANTS, LES PERSONNES PHYSIQUES OU MORALES QUI CONTRÔLENT DIRECTEMENT OU INDIRECTEMENT L'ENTREPRISE SANS ÊTRE LIÉES À CELLE-CI OU LES AUTRES ENTREPRISES CONTRÔLÉES DIRECTEMENT OU INDIRECTEMENT PAR CES PERSONNES

Créances sur les personnes précitées
Conditions principales des créances

Garanties constituées en leur faveur
Conditions principales des garanties constituées

Autres engagements significatifs souscrits en leur faveur
Conditions principales des autres engagements

Rémunérations directes et indirectes et pensions attribuées, à charge du compte de résultats, pour autant que cette mention ne porte pas à titre exclusif ou principal sur la situation d'une seule personne identifiable
Aux administrateurs et gérants
Aux anciens administrateurs et anciens gérants

Codes	Exercice
9500	
9501	
9502	
9503	209.110
9504	

LE OU LES COMMISSAIRE(S) ET LES PERSONNES AVEC LESQUELLES IL EST LIÉ (ILS SONT LIÉS)

Emoluments du (des) commissaire(s)

Emoluments pour prestations exceptionnelles ou missions particulières accomplies au sein de la société par le(s) commissaire(s)
Autres missions d'attestation
Missions de conseils fiscaux
Autres missions extérieures à la mission révisoriale

Emoluments pour prestations exceptionnelles ou missions particulières accomplies au sein de la société par des personnes avec lesquelles le ou les commissaire(s) est lié (sont liés)
Autres missions d'attestation
Missions de conseils fiscaux
Autres missions extérieures à la mission révisoriale

Codes	Exercice
9505	37.800
95061	4.000
95062	
95063	
95081	
95082	
95083	

Mentions en application de l'article 133, paragraphe 6 du Code des sociétés

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BE 0448.040.624

C 5.17.1

DÉCLARATION RELATIVE AUX COMPTES CONSOLIDÉS

Informations à compléter par les entreprises soumises aux dispositions du Code des sociétés relatives aux comptes consolidés

L'entreprise établit et publie des comptes consolidés et un rapport consolidé de gestion

RELATIONS FINANCIÈRES DU GROUPE DONT L'ENTREPRISE EST À LA TÊTE EN BELGIQUE AVEC LE (LES) COMMISSAIRE(S) ET LES PERSONNES AVEC LESQUELLES IL EST LIÉ (ILS SONT LIÉS)

Mentions en application de l'article 134, paragraphes 4 et 5 du Code des sociétés

Emoluments du (des) commissaire(s) pour l'exercice d'un mandat de commissaire au niveau du groupe dont la société qui publie des informations est à la tête

Codes	Exercice
9507	146.500
95071	4.000
95072	
95073	
9509	
95091	
95092	
95093	

Emoluments pour prestations exceptionnelles ou missions particulières accomplies auprès de ce groupe par le(s) commissaire(s)

- Autres missions d'attestation
- Missions de conseils fiscaux
- Autres missions extérieures à la mission révisoriale

Emoluments des personnes avec lesquelles le (les) commissaire(s) est lié (sont liés) pour l'exercice d'un mandat de commissaire au niveau du groupe dont la société qui publie des informations est à la tête

Emoluments pour prestations exceptionnelles ou missions particulières accomplies auprès de ce groupe par des personnes avec lesquelles le (les) commissaire(s) est lié (sont liés)

- Autres missions d'attestation
- Missions de conseils fiscaux
- Autres missions extérieures à la mission révisoriale

Mentions en application de l'article 133, paragraphe 6 du Code des sociétés

BILAN SOCIAL

Numéros des commissions paritaires dont dépend l'entreprise:

218

Etat des personnes occupées**Travailleurs pour lesquels l'entreprise a introduit une déclaration DIMONA ou qui sont inscrits au registre général du personnel****Au cours de l'exercice et de l'exercice précédent**

Nombre moyen de travailleurs
 Nombre d'heures effectivement
 prestées
 Frais de personnel
 Montant des avantages accordés en
 sus du salaire

Codes	1. Temps plein <i>(exercice)</i>	2. Temps partiel <i>(exercice)</i>	3. Total (T) ou total en équivalents temps plein (ETP) <i>(exercice)</i>	3P. Total (T) ou total en équivalents temps plein (ETP) <i>(exercice précédent)</i>
100	12,1	7,5	16,1 ETP	15,2 ETP
101	18.931	6.363	25.294 T	24.889 T
102	682.732	392.267	1.074.999 T	1.044.811 T
103	XXXXXXX	XXXXXXX	T	T

A la date de clôture de l'exercice**Nombre de travailleurs****Par type de contrat de travail**

Contrat à durée indéterminée
 Contrat à durée déterminée
 Contrat pour l'exécution d'un travail nettement défini
 Contrat de remplacement

Par sexe et niveau d'études

Hommes
 de niveau primaire
 de niveau secondaire
 de niveau supérieur non universitaire
 de niveau universitaire
 Femmes
 de niveau primaire
 de niveau secondaire
 de niveau supérieur non universitaire
 de niveau universitaire

Par catégorie professionnelle

Personnel de direction
 Employés
 Ouvriers
 Autres

Codes	1. Temps plein	2. Temps partiel	3. Total en équivalents temps plein
105	11	8	15,5
110	11	8	15,5
111			
112			
113			
120	5	6	8
1200			
1201	2	2	3
1202	2		2
1203	1	4	3
121	6	2	7,5
1210			
1211	2		2
1212	3		3
1213	1	2	2,5
130			
134	11	8	15,5
132			
133			

Personnel intérimaire et personnes mises à la disposition de l'entreprise**Au cours de l'exercice**

Nombre moyen de personnes occupées
 Nombre d'heures effectivement prestées
 Frais pour l'entreprise

Codes	1. Personnel intérimaire	2. Personnes mises à la disposition de l'entreprise
150		
151		
152		

Tableau des mouvements du personnel au cours de l'exercice**Entrées**

Nombre de travailleurs pour lesquels l'entreprise a introduit une déclaration DIMONA ou qui ont été inscrits au registre général du personnel au cours de l'exercice

Par type de contrat de travail

Contrat à durée indéterminée
 Contrat à durée déterminée
 Contrat pour l'exécution d'un travail nettement défini
 Contrat de remplacement

Codes	1. Temps plein	2. Temps partiel	3. Total en équivalents temps plein
205	3		3
210	1		1
211	2		2
212			
213			

Sorties

Nombre de travailleurs dont la date de fin de contrat a été inscrite dans une déclaration DIMONA ou au registre général du personnel au cours de l'exercice

Par type de contrat de travail

Contrat à durée indéterminée
 Contrat à durée déterminée
 Contrat pour l'exécution d'un travail nettement défini
 Contrat de remplacement

Par motif de fin de contrat

Pension
 Prépension
 Licenciement
 Autre motif

Dont: le nombre de personnes qui continuent, au moins à mi-temps, à prester des services au profit de l'entreprise comme indépendants

Codes	1. Temps plein	2. Temps partiel	3. Total en équivalents temps plein
305	2		2
310			
311	2		2
312			
313			
340			
341			
342			
343	2		2
350			

Renseignements sur les formations pour les travailleurs au cours de l'exercice**Initiatives en matière de formation professionnelle continue à caractère formel à charge de l'employeur**

	Codes	Hommes	Codes	Femmes
Nombre de travailleurs concernés	5801	1	5811	2
Nombre d'heures de formation suivies	5802	76	5812	19
Coût net pour l'entreprise	5803	267	5813	820
dont coût brut directement lié aux formations	58031	166	58131	569
dont cotisations payées et versements à des fonds collectifs	58032	101	58132	252
dont subventions et autres avantages financiers reçus (à déduire)	58033		58133	

Initiatives en matière de formation professionnelle continue à caractère moins formel ou informel à charge de l'employeur

Nombre de travailleurs concernés	5821		5831	
Nombre d'heures de formation suivies	5822		5832	
Coût net pour l'entreprise	5823		5833	

Initiatives en matière de formation professionnelle initiale à charge de l'employeur

Nombre de travailleurs concernés	5841		5851	
Nombre d'heures de formation suivies	5842		5852	
Coût net pour l'entreprise	5843		5853	

RÈGLES D'ÉVALUATION

I. R. I. S. GROUP SA

Règles d'évaluation

A. Généralités

Les comptes sociaux sont établis en euros (sociétés implantées dans la zone euro) ou en dollars (sociétés implantées aux Etats-Unis d'Amérique), en conformité avec les principes comptables et les règles d'évaluation fixés par la législation comptable belge. Les comptes sociaux sont établis au 31 décembre, date de clôture de toutes les entités du groupe.

B. Provisions pour pensions

Les pensions de retraite dues au titre des divers régimes de retraites obligatoires auxquels cotisent les employeurs et les salariés sont, en général, prises en charge par des organismes extérieurs spécialisés. Les cotisations dues au titre de l'exercice sont comptabilisées dans le résultat de la période.

Il n'existe pas, au niveau des entreprises consolidées, de plans de retraite complémentaires qui génèrent des obligations pour les sociétés concernées.

C. Imposition différée

Les décalages d'imposition temporaires entraînés par certains reports d'imposition, donnent lieu à la constatation d'impôts différés calculés selon la méthode du report variable. Les impôts différés actifs ne sont pas comptabilisés.

D. Règles particulières

Les différents frais et immobilisations sont portés à l'actif à leur valeur d'acquisition lorsqu'ils sont acquis de tiers. Les autres immobilisations sont portées à l'actif à leur coût de revient.

Frais d'établissement

Les frais d'établissement sont amortis selon les taux et méthodes suivants : de 20% linéaire à 100%.

Immobilisations incorporelles

Les frais de recherche et de développement ne font pas l'objet d'une activation. Ces frais sont pris en charge durant l'exercice au cours duquel ils sont exposés.

Les licences sont amorties selon les taux et méthodes suivants : de 33% linéaire à 100 %.

Les droits intellectuels, brevets et savoir-faire acquis de tiers sont amortis selon les taux et méthodes suivants : de 20 % linéaire à 100 %.

Les fonds de commerce comprenant une composante essentielle de clientèle et de technologie sont amortis au taux linéaire de 5 %.

Immobilisations corporelles

Les immobilisations corporelles sont amorties la première année, selon les pays, sur base du prorata de détention ou à concurrence d'une annuité complète. Elles sont amorties de façon linéaire selon les taux suivants :

Immeubles			3% à 5%
Equipement informatique (hardware et software) :		20% à 33%	
Matériel de bureau :		10% à 20%	
Mobiliers de bureau :		10% à 20%	
Aménagements d'immeubles :	10% à 20%		
Matériel roulant neuf :		20% à 25%	
Matériel roulant d'occasion :		33%	

Immobilisations financières

Les immobilisations financières sont évaluées périodiquement. Elles font l'objet de réductions de valeur au cas par cas, selon les éléments d'appréciation dont dispose le Conseil d'administration.

Stocks

Les stocks de marchandises et de fournitures acquis de tiers sont valorisés à leur coût d'acquisition, suivant la méthode "First In First Out".

Les réductions de valeur sur les stocks sont actées au cas par cas, à l'appréciation du Conseil d'administration.

Créances commerciales

Les créances commerciales sont évaluées individuellement.

Elles font l'objet de réductions de valeur au cas par cas, selon les éléments d'appréciation dont dispose le Conseil d'administration.

Dettes commerciales

Les dettes commerciales sont évaluées individuellement.

Commandes en cours d'exécution

La majeure partie des contrats conclus par la société sont des contrats à prix forfaitaires. La prise en résultats a lieu au rythme du degré d'avancement des travaux sur base des prestations réalisées par rapport aux prestations budgétisées. La société enregistre le montant des travaux réalisés à la date de clôture mais non encore pris en revenus parmi les Commandes en cours d'exécution tandis que les travaux non réalisés mais déjà facturés à la date de clôture sont inscrits parmi les "acomptes reçus sur commandes".

Éléments d'actif ou de passif exprimés en devises

A la clôture du bilan :

les éléments non monétaires du bilan, c.à.d. les immobilisations corporelles, incorporelles et financières (à l'actif) et les éléments constituant les fonds propres (au passif) sont maintenus à leur valeur d'acquisition exprimée en euros quelle que soit le cours de clôture de la devise dans laquelle eut lieu le prix d'acquisition.

les éléments monétaires du bilan, c.à.d. les créances à plus d'un an ou à un an au plus, les placements de trésorerie, valeurs disponibles et comptes de régularisation (à l'actif) et les provisions pour risques et charges, dettes à plus d'un an ou à un an au plus et comptes de régularisation (au passif) sont évalués aux cours de change applicables à la clôture de l'exercice.

Pour chaque devise, les écarts de conversion sont cumulés et le solde, qu'il soit positif ou négatif, est enregistré au compte de résultats.

RAPPORT DE GESTION

IMAGE RECOGNITION INTEGRATED SYSTEMS GROUP S.A.
10 Rue du Bosquet
Parc Scientifique de Louvain-la-Neuve
1435 Mont Saint-Guibert
RPM Nivelles 0.448.040.624

Rapport de gestion pour l'exercice social clôturé le 31/12/2011
Rapport sur les comptes statutaires et sur les comptes consolidés

Mesdames, Messieurs, chers Actionnaires,

Le Conseil d'administration d'I.R.I.S. Group a l'honneur de rendre compte de sa gestion pendant l'exercice clôturé le 31 décembre 2011.

Le conseil d'administration déclare, qu'à sa meilleure connaissance, les comptes consolidés clos le 31 décembre 2011 donnent une image fidèle du patrimoine et de la situation financière du Groupe (et de l'ensemble des entreprises comprises dans la consolidation) en date du 31 décembre 2011, ainsi que de ses résultats et de ses flux de trésorerie pour l'exercice clos à cette date, conformément aux IFRS, telles qu'adoptées dans l'Union européenne, et aux dispositions légales et réglementaires applicables en Belgique. Le présent rapport de gestion représente un exposé fidèle de l'exercice et les données contenues dans ce rapport sont conformes à la réalité dans tous leurs aspects essentiels et ne comportent pas d'omission de nature à en altérer la portée.

Evolution des activités en 2011

Tous les chiffres sont établis conformément aux normes IFRS.

Les chiffres comparatifs 2009 et 2010 sont disponibles dans notre rapport annuel et sur notre site internet :
<http://www.iriscorporate.com>.

I.R.I.S. Group SA, une entreprise technologique spécialisée dans la reconnaissance intelligente des documents (RID), la gestion du contenu d'entreprise (ECM) et les infrastructures IT optimisées (ICT).

La mission d'I.R.I.S. est de fournir des solutions qui augmentent l'efficacité-métier de nos clients par une meilleure gestion de leurs documents, données et informations électroniques.

I.R.I.S. Products & Technologies développe des technologies et des produits dans le domaine de la Reconnaissance Intelligente de Documents et commercialise son portefeuille de produits à l'échelle mondiale à travers de solides partenariats.

I.R.I.S. Professional Solutions permet aux sociétés et aux administrations de trouver en une seule compagnie un savoir-faire novateur et des solutions de haute technologie pour gérer efficacement leurs documents, leurs flux d'informations et leurs infrastructures informatiques.

Dans un contexte économique peu favorable qui a affecté certains de nos clients et partenaires, plusieurs points positifs sont à souligner :

- Plusieurs initiatives de croissance importantes ont porté leurs fruits et certaines de nos activités connaissent une croissance rapide grâce à des investissements judicieux, notamment dans nos activités avec nos partenaires, nos activités dans le secteur " légal et services professionnels " et nos activités dans le secteur ICT
- les ventes de nos solutions d'entreprise avec Canon en Europe ont également progressé
- 14 nouveaux contrats de partenariat avec des revendeurs à valeur ajoutée (VAR) et des sociétés de services d'externalisation (BPO) ont été conclus en 2011 et généreront un chiffre d'affaires supplémentaire en 2012.
- le programme de réorganisation entamé à la mi-2011 par I.R.I.S. a bien progressé. Dans le cadre de ce programme, il a été décidé de centraliser la direction opérationnelle afin de mettre en œuvre de nouvelles initiatives visant à :
 - o Développer des synergies inter-divisions
 - o Améliorer l'organisation de vente et de prévente
 - o Optimiser la structure des coûts
 - o Accélérer l'expansion des solutions I.R.I.S. dans des secteurs spécifiques à l'échelle internationale
 - o Accélérer les investissements dans les services basés sur la technologie (SaaS).

L'objectif du plan consiste à améliorer l'organisation et la structure des coûts, à accélérer l'expansion internationale d'I.R.I.S. et à améliorer sa rentabilité au cours des prochaines années.

Le groupe a également volontairement décidé de maintenir toutes ses initiatives stratégiques. En 2011, I.R.I.S. a continué d'investir massivement dans ses principaux actifs : les technologies et la propriété intellectuelle (les technologies de capture de documents pour les marchés des particuliers et des professionnels, les solutions de gestion de documents, la solution de

surveillance de centres de données et les solutions Cloud).

Grâce à ces actifs accumulés par I.R.I.S. au cours des 25 dernières années, la société bénéficie d'une position forte et d'un avantage concurrentiel sur le marché.

Le management d'I.R.I.S. est donc confiant dans les perspectives d'avenir.

Exercice 2011 : Record en termes de ventes et de marge brute

Pour l'ensemble de l'année, I.R.I.S. enregistre un chiffre d'affaires record de €121.292.320 et une marge brute record de €61.225.970 (contre respectivement €119.488.557 et €59.519.669 l'année passée), malgré des conditions de marché difficiles en 2011 pour certains de nos clients et partenaires.

La marge brute (qui est un indicateur clef de performance) est en augmentation de 2,87% à €61.225.970 contre €59.519.669 en 2010. Le taux de marge brute global est de 50,5% en 2011 contre 49,8% en 2010.

La part de la marge brute provenant de la vente de produits packagés (division Products & Technologies) a atteint 27,1%, pour 72,9% aux solutions professionnelles (division Professional Solutions).

Evolution du chiffre d'affaires et de la Marge Brute

€'000	Chiffre d'affaires auprès de clients externes	2007	2008	2009	2010	2011	Var
	Products & Technologies	13.291	16.531	18.325	16.940	20.380	20,31%
	Professional Solutions	81.771	92.794	84.569	102.549	100.912	-1,60%
	I.R.I.S.	95.062	109.326	102.894	119.489	121.292	1,51%

€'000	Marge brute	2007	2008	2009	2010	2011	Var
	Products & Technologies	11.127	14.315	15.236	13.766	16.589	20,51%
	Professional Solutions	36.133	44.069	44.108	45.753	44.637	-2,44%
	I.R.I.S.	47.260	58.384	59.344	59.520	61.226	2,87%

En solutions professionnelles, la marge brute est en légère baisse: €44.636.735 en 2011 pour €45.753.220 en 2010 (-2,44%). En 2011, le taux de marge brute - qui est fortement dépendant du mix entre software, hardware et services - s'est élevé à 44,23% en 2011 pour 44,62% en 2010.

La marge brute en produits et technologies packagés atteint €16.589.235 fin 2011 contre €13.766.449 fin 2010 (+20,5%). Le taux de marge brute est de 81,40% en 2011 pour 81,27% en 2010.

Malgré des frais de restructuration exceptionnels d'un montant de €1,1 million (voir ci-dessous), le cash flow d'exploitation (EBITDA) est stable à €7.178.393 contre €7.239.224 en 2010 et l'EBIT s'élève à €5.081.588 (contre €5.302.458 en 2010).

Après déduction des amortissements (€2.096.805), des charges financières nettes (€171.560) et des impôts (€1.166.331), le bénéfice net atteint €3.743.697 (contre €4.079.030 l'année passée).

Situation de trésorerie :

La position financière d'I.R.I.S. reste solide. Les fonds propres sont en hausse et s'établissent à €63.487.122 (€60.771.415 en 2010) et la trésorerie nette (après déduction des dettes échéant dans l'année) est de €13.219.871 (€9.342.269 en 2010). La capacité financière à court terme d'I.R.I.S est de €27,7 millions lorsque l'on tient compte des lignes de crédit non utilisées de €14.500.000, non révoquées à concurrence de €13.000.000.

I.R.I.S. Group a des crédits d'investissement à hauteur de €3.500.000. Ces crédits ont été contractés début 2009 pour un montant total à l'origine de €7.000.000, sur une durée de 5 ans, à taux d'intérêt fixe et sans nouvelles garanties, afin de financer certains investissements (dont l'acquisition de Corismo) et de renforcer les réserves de trésorerie disponibles en profitant d'une période de taux d'intérêt bas. Les autres emprunts à long terme sont des crédits d'investissement existants, destinés à financer l'acquisition des bâtiments de Louvain-La-Neuve et de Vilvoorde ou à financer des aménagements de bureau ou divers matériels.

Le groupe a investi en immobilisations incorporelles et corporelles à concurrence de €4.475.243 en 2011 (€2.046.129 en 2010 et €1.298.009 en 2009); il s'agit notamment de l'implémentation et de l'amélioration d'outils de gestion du groupe, le développement de produits et technologies, l'acquisition d'un fonds de commerce et une clientèle en Belgique dans le domaine ICT. Ces investissements permettent à I.R.I.S. de poursuivre sa croissance.

Recherche et développement

Le groupe I.R.I.S. est avant tout un groupe technologique. Il consacre une part significative de ses moyens au renforcement de son patrimoine technologique, les logiciels propriétaires constituant une pierre angulaire de son offre.

I.R.I.S. active uniquement les frais de développement consacrés aux développements de nouveaux produits. Les frais de développement consacrés au développement de nouvelles versions (upgrades) sont comptabilisés comme charges de l'exercice.

Au cours des dernières années, I.R.I.S. S.A. a fortement développé sa présence dans le segment des applications mobiles de

saisie de documents. En 2009, I.R.I.S. a entamé un programme de développement sur 3 ans pour étendre son offre aux plateformes mobiles de type Smartphone et tablette.

I.R.I.S. a également lancé en 2010 un projet visant à concevoir et développer une nouvelle solution de gestion électronique de documents pour entreprises, basée sur des technologies innovantes. Cette solution est destinée principalement au marché des Petites et Moyennes Entreprises, ainsi qu'à des besoins départementaux de grands comptes. Ce projet se base sur les technologies développées par I.R.I.S. et sur son expérience en intégration des solutions proposées aujourd'hui par les grands éditeurs et est destiné à des espaces d'innovation non adressés, qui s'inscrivent dans l'évolution du marché et répondent aux besoins des entreprises.

Afin d'accroître significativement sa pénétration des marchés asiatiques, I.R.I.S. a lancé en 2011 un projet de développement des technologies nécessaires pour fournir un avantage compétitif déterminant sur ces marchés où les caractéristiques des langues écrites sont très différentes par rapport aux marchés occidentaux.

Enfin, I.R.I.S. a développé en 2011 de nouvelles applications pour améliorer la performance, la gestion, le suivi et le reporting de ses solutions de surveillance de centres de données et de ses solutions Cloud.

Pour le reste, des efforts ont porté sur les outils internes de gestion.

L'effort fourni en recherche et développement a par ailleurs également porté sur le développement et l'amélioration de nombreux produits ayant une durée de vie inférieure à un an et pris en charge durant l'exercice (développement de versions annuelles des produits).

En 2011, I.R.I.S. a donc continué d'investir massivement dans ses principaux actifs : les technologies et la propriété intellectuelle.

Grâce à ces actifs accumulés par I.R.I.S. au cours des 25 dernières années, la société bénéficie d'une position forte et d'un avantage concurrentiel sur le marché.

L'effort global en R&D a été accru et est représenté par des coûts de personnel de €6.424.764 en 2011 en augmentation de 7% par rapport à 2010 (€6.003.495). La société a donc consacré 10,5% de sa marge brute en coûts de personnel dédiés à la R&D, dont la moitié est à charge du résultat de l'année. Ces coûts ne reprennent que les frais de personnels et pas les coûts liés à l'infrastructure, au matériel et au matériel roulant ou frais de sous-traitance.

Les programmes de développement technologique ont conduit à l'activation de €3.140.921 en 2011 (€776.785 en 2010). Ces activités de recherche et développement permettent d'élargir la gamme de produits packagés et renforcer la distribution internationale.

Evolution des dépenses de développement

Notons que ce sont les filiales opérationnelles qui procèdent aux investissements en R&D, et non la société faitière I.R.I.S. Group SA qui ne joue qu'un rôle de holding financier.

Evolution du personnel

A la fin de l'année 2011, I.R.I.S. Group employait 496 personnes (76,6% d'hommes et 23,4% de femmes) contre 533 en 2010 et 507 en 2009.

L'effectif moyen a été de 498,99 équivalents temps plein en 2011 pour 514,77 équivalents temps plein en 2010

L'âge moyen est de 38,57 ans à fin 2011 pour 38 ans à fin 2010.

Evénements importants intervenus en 2011

Acquisition d'une activité ICT en Belgique

I.R.I.S. a acquis, en début juin 2011, une branche d'activité de la société Competence Partners constituée d'une équipe d'une dizaine de consultants spécialisés en consultation ICT. Cette acquisition a pour but de renforcer l'expérience et le champ des compétences du groupe dans l'activité ICT.

Emission d'un plan de stock options (Stock option plan horizon 2015)

Dans l'objectif de fidéliser et motiver le management du groupe, le conseil d'administration a décidé d'émettre, en faveur de managers d'I.R.I.S., 35.000 warrants donnant chacun droit, en cas d'exercice, à la souscription d'une action de la société. En conséquence, conformément aux conditions d'émission du stock option plan, les 35.000 warrants donneront le droit aux bénéficiaires de ces warrants de souscrire, par le biais de l'exercice des warrants, à un maximum de 35.000 actions ordinaires représentatives du capital de la société. Chaque action acquise suite à l'exercice d'un warrant donnera droit aux dividendes mis en paiement au titre de l'exercice comptable pendant lequel le Warrant a été exercé. La société fera le nécessaire pour obtenir l'inscription à la cotation des actions acquises suite à l'exercice de warrants. L'émission des warrants dans le cadre du capital

autorisé a lieu avec suppression du droit de préférence des actionnaires actuels afin de bénéficier à titre principal aux membres du personnel, d'administrateurs exécutifs et de sous-traitants réguliers. L'offre a été acceptée à concurrence de 31.000 warrants.

Au 31 décembre 2011, 31.000 warrants étaient donc émis dans le cadre de ce plan. Leur prix d'exercice est de €36,23/action.

Ces options et warrants seront exerçables pendant chaque mois de juillet et chaque première quinzaine de novembre à partir de juillet 2015 jusqu'au 15 novembre 2020 et à condition d'être lié, de manière ininterrompue depuis l'attribution des warrants ou options, par un contrat de travail ou un autre contrat de prestation de services avec la Société ou une filiale au moment de l'exercice.

Comptes statutaires au 31.12.2011

Les comptes statutaires ne reflètent que la situation comptable de la maison-mère, en qualité de holding. Elle n'est pas le reflet de l'activité du groupe. C'est pourquoi le présent rapport porte également sur les comptes consolidés (voir point suivant).

Les comptes statutaires sont établis conformément aux normes comptables belges.

L'exercice 2011 dégage un bénéfice net de €649.505,23. Ce résultat doit être analysé comme suit :

- Chiffre d'affaires 2.119.060,57
- + Productions immobilisées 0,00
- + Autres produits d'exploitation 199.435,52
- Biens et services divers -1.128.717,03
- Rémunérations -1.074.998,51
- Amortissements -35.910,82
- Autres charges d'exploitation 0
- = Résultat d'exploitation 78.869,73
- + Produits des immobilisations financières 68.385,24
- + Intérêts de placements de trésorerie 669.185,96
- + Autres produits financiers 48.075,48
- Charges financières -211.219,90
- = Résultat courant avant impôts 653.296,51
- = Résultat de l'exercice avant impôts 653.296,51
- Impôts sur le résultat -3.791,28
- + Régularisations d'impôts 0
- = Résultat de l'exercice à affecter 649.505,23

Les comptes de bilan et de résultats détaillés sont annexés.

Le bénéfice à affecter est de €649.505,23

Eu égard à la proposition d'attribuer un dividende de €1.305.550,40 (voir plus loin) et compte tenu du prélèvement sur les réserves indisponibles d'un montant de €217.500 suite à l'exonération définitive liée à la loi sur le " Tax shelter ", la proposition d'affectation du résultat est la suivante :

- Résultat de l'exercice à affecter € 649.505,23
- Prélèvement sur les réserves indisponibles €-217.500
- Dotations aux réserves disponibles €217.500
- Prélèvement sur les réserves disponibles €-688.520,43
- Affectation à la réserve légale : €32.475,26
- Rémunération du capital : €1.305.550,40

Comptes consolidés au 31.12.2011

L'activité opérationnelle est exercée dans les filiales du groupe ; la société factière I.R.I.S. Group SA ne joue qu'un rôle de holding financier. Il convient donc essentiellement de se référer aux comptes annuels consolidés pour se faire une opinion réelle de l'évolution du groupe.

Les comptes consolidés sont établis conformément aux normes IFRS (International Financial Reporting Standards).

Le bénéfice net consolidé est de €3.743.697.

Ce résultat s'analyse comme suit :

- Variation 2011/2010
- Produits des activités ordinaires 121.292.320 (+1,51%)
- Coût direct des ventes -60.066.350
- = Marge brute 61.225.970 (+ 2,87%)
- + Production immobilisée 3.140.921
- + Autres produits d'exploitation 1.809.237
- Biens et services divers -21.306.200

- Rémunérations et charges sociales -37.073.682
- Réduction de valeur sur stocks et créances clients -442.688
- Provisions pour risques et charges 275.817
- Autres charges d'exploitation -450.982
- = Cash flow d'exploitation (EBITDA) 7.178.393 (-0,84%)
- Amortissement d'immobilisés -2.096.805
- = Résultat d'exploitation (EBIT) 5.081.588 (-4,17%)
- + Produits financiers 684.004
- Charges financières -855.564
- = Résultat des activités ordinaires 4.910.028
- Impôts -1.166.331
- = Résultat consolidé (part du groupe) 3.743.697 (-8,22%)

Les comptes consolidés détaillés sont annexés.

Evénements importants intervenus après la clôture des comptes

En février 2012, nous avons clôturé une transaction visant à étendre nos activités avec la Commission européenne. Ce développement des activités doit permettre à I.R.I.S. d'augmenter de vingt personnes supplémentaires notre équipe qui travaille pour l'Union européenne.

Cette extension des activités apportera une contribution positive au résultat d'exploitation d'I.R.I.S. en 2012.
Perspectives pour 2012 et description des événements susceptibles d'avoir une influence notable sur le développement de la société

L'année 2011 a enregistré un certain nombre de points positifs. Pour rappel :

- certaines de nos activités connaissent une croissance rapide grâce à des investissements judicieux, notamment dans nos activités avec nos partenaires, nos activités dans le secteur " légal et services professionnels " et notre activité ICT
- les ventes de nos solutions d'entreprise avec Canon en Europe ont également progressé
- de nouveaux contrats de partenariat avec des revendeurs à valeur ajoutée (VAR) et des sociétés de services d'externalisation (BPO) ont été conclus et généreront un chiffre d'affaires supplémentaire en 2012.

I.R.I.S. a connu quelques points négatifs, dans un contexte économique difficile qu'il convient de souligner. Ces points ont été adressés par un programme de réorganisation entamé à la mi-2011. Dans le cadre de ce programme, il a été décidé de centraliser la direction opérationnelle afin de mettre en œuvre de nouvelles initiatives visant à développer des synergies inter-divisions, améliorer l'organisation de vente et de prévente, optimiser la structure des coûts, accélérer l'expansion des solutions I.R.I.S. dans des secteurs spécifiques à l'échelle internationale et accélérer les investissements dans les services basés sur la technologie (SaaS).

L'objectif du plan consiste à améliorer l'organisation et la structure des coûts, à accélérer l'expansion internationale d'I.R.I.S. et à améliorer sa rentabilité au cours des prochaines années. Comme mentionné ci-avant, les coûts de ce programme de réorganisation sont de € 1.1 million.

Le management d'I.R.I.S. considère que la société est sur un marché porteur et en croissance, analyse confirmée par de nombreuses sources et analyses externes. Le management est donc convaincu de la possibilité de saisir une partie de ce marché pour renouer avec une croissance importante du chiffre d'affaires et de la rentabilité. Le groupe maintient donc ses initiatives stratégiques et en particulier sa politique d'investissements en R&D et ses efforts en matière d'innovation pour permettre d'améliorer et d'élargir constamment la gamme et la qualité des produits et services offerts, et de s'ouvrir de nouveaux marchés.

Le management d'I.R.I.S. est donc confiant dans les perspectives d'avenir et de croissance profitable de la société.

En février 2012, nous avons organisé notre événement annuel et accueilli plus de 900 participants. Nous y avons dévoilé un nombre sans précédent de nouveaux produits et solutions. Nous espérons que ces nouvelles solutions contribueront à la croissance de nos activités en 2012.

Acquisition d'actions propres

Acquisition et cessions d'actions propres au cours de l'exercice

Au cours de l'exercice 2011, I.R.I.S. Group SA n'a acquis aucune action propre mais en a revendu 2.500 dans le cadre de l'exercice du plan de stock options attribué courant 2005. Ces actions ont été revendues pour un prix de vente de €62.775. Au 31 décembre 2011, la société détenait 5.080 actions propres pour une valeur d'acquisition de €75.982.

Notons que la filiale I.R.I.S. Solutions & Experts a acquis 6.975 actions I.R.I.S. Group pour un montant de €210.270, en a cédé 2.096 pour une valeur de €62.500, dans le cadre de regroupements d'entreprises, et détenait 19.106 actions I.R.I.S. Group au 31 décembre 2011, pour une valeur de €283.253.

Programme de rachat d'actions propres

Le conseil d'administration du 21 mars 2012 a approuvé un programme de rachat d'actions propres dont les caractéristiques sont les suivantes :

" L'objectif du plan est de réduire le nombre d'actions en circulation afin d'augmenter par voie de conséquence la rémunération des actionnaires, et à titre subsidiaire de disposer d'actions dans le cadre des plans de stock option

" Le programme est approuvé pour la période allant du 23 mars 2012 au 8 octobre 2014 et un nombre maximum de 150.000 actions d'I.R.I.S. Group SA, ou un montant maximum d'EUR 4.500.000

" Les actions acquises au cours d'une séance ne dépasseront pas 25% du volume de transactions quotidien moyen portant sur l'action à Euronext Bruxelles pendant les 20 séances précédant la date de chaque rachat.

" Cadre réglementaire

Le programme sera mis en œuvre conformément aux articles 205 à 208 de l'arrêté royal du 30 janvier 2001 portant exécution du code des sociétés, et à l'arrêté royal du 5 mars 2006 relatif aux abus de marché ainsi qu'au Règlement (CE) 2273/2003 du 22 décembre 2003 (en ce qui concerne les dérogations prévues pour les programmes de rachat d'actions).

Eléments susceptibles d'avoir une incidence en cas d'offre publique d'acquisition

Conformément aux prescriptions de l'article 34 de l'AR du 14 Novembre 2007, nous exposons ci-après les éléments susceptibles d'avoir une incidence en cas d'offre publique d'acquisition :

" En matière de pouvoir de l'organe d'administration : l'assemblée générale extraordinaire du 6 juillet 2009 a renouvelé et étendu, pour une durée de cinq ans à partir du 8 octobre 2009 et jusqu'au 8 octobre 2014, l'autorisation donnée au conseil d'administration d'augmenter en une ou plusieurs fois le capital social souscrit à concurrence de €38.000.000. Une telle autorisation vaut pour des augmentations de capital tant par apport en numéraire que par apport en nature, sous réserve des restrictions légales, ou par incorporation de réserves, avec ou sans prime d'émission, avec ou sans émission de titres nouveaux, avec ou sans droit de vote, par une émission publique ou privée et pour des émissions d'obligations convertibles en actions, d'obligations remboursables en actions, de droits de souscription (attachés ou non à d'autres titres) ou d'autres valeurs ou d'autres valeurs mobilières pouvant donner droit à terme à des actions de la société. Au 31 décembre 2011, le capital autorisé non utilisé est de €36.731.950.

Le conseil est expressément habilité à procéder, pendant les trois ans qui suivent l'assemblée générale du 9 janvier 2012, à des augmentations de capital, en une ou plusieurs fois, à partir de la date de la notification faite par l'Autorité des services et marchés financiers selon laquelle elle a été saisie d'un avis d'offre publique d'acquisition la visant, par apport en numéraire, avec limitation ou suppression du droit de préférence des actionnaires et ceci aussi en faveur d'une ou plusieurs personnes déterminées, membres ou non du personnel de la société ou de ses filiales, ou par apport en nature conformément aux dispositions légales en la matière. Dans cette hypothèse, le conseil d'administration peut également créer des titres représentatifs ou non du capital, conférant le droit de vote, ainsi que des titres donnant droit à la souscription de tels titres ou à l'acquisition de tels titres, si lesdits titres ou droits ne sont pas offerts par préférence aux actionnaires proportionnellement à la partie du capital que représentent leurs actions.

" En matière de restriction de l'exercice du droit de vote : l'article 23 des statuts fixe qu'aucun actionnaire ne peut participer au vote à l'assemblée générale pour plus de dix (10) pour cent du nombre de droits de vote conférés à l'ensemble des titres émis par la société, représentatifs ou non du capital ; les statuts fixent également les modalités de calcul de ce pourcentage.

" En matière d'accords importants auxquels l'émetteur est partie et qui prennent effet, sont modifiés ou prennent fin en cas de changement de contrôle de l'émetteur à la suite d'une offre publique d'acquisition : la société a émis plusieurs plans de Stock Options dont l'exercice pourrait être anticipé en cas de changement de contrôle.

" En matière de règles applicables à la nomination et au remplacement des membres de l'organe d'administration ainsi qu'à la modification des statuts de l'émetteur : l'article 7 paragraphe 4 des statuts fixe que sauf les exceptions prévues à l'article 545 du code des sociétés, nul ne peut prendre part au vote à l'assemblée générale pour un nombre de voix supérieur à celui afférent aux actions dont il a, conformément aux paragraphes de cet article 7, déclaré la possession, quarante-cinq jours au moins avant la date de l'assemblée générale.

Utilisation du capital autorisé

L'assemblée générale extraordinaire du 6 juillet 2009 a renouvelé et étendu, pour une durée de cinq ans à partir du 8 octobre 2009 et jusqu'au 8 octobre 2014, l'autorisation donnée au conseil d'administration d'augmenter en une ou plusieurs fois le capital social souscrit à concurrence de €38.000.000. Une telle autorisation vaut pour des augmentations de capital tant par apport en numéraire que par apport en nature, sous réserve des restrictions légales, ou par incorporation de réserves, avec ou sans prime d'émission, avec ou sans émission de titres nouveaux, avec ou sans droit de vote, par une émission publique ou privée et pour des émissions d'obligations convertibles en actions, d'obligations remboursables en actions, de droits de souscription (attachés ou non à d'autres titres) ou d'autres valeurs ou d'autres valeurs mobilières pouvant donner droit à terme à des actions de la société. Dans le cadre de cette autorisation, le conseil d'administration a procédé par acte dressé le 14 octobre 2011 à l'émission de 35.000 warrants en faveur du personnel de la société ou de ses filiales et a procédé à une augmentation de capital de €1.268.050 sous condition suspensive de l'exercice des warrants et de la constatation par le conseil d'administration de l'augmentation de capital qui en résultera. Au 31 décembre 2011, le capital autorisé non utilisé est de €36.731.950.

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Succursales à l'étranger

L'activité du groupe à l'étranger étant organisée au sein de sociétés filiales à part entière, notre société ne dispose d'aucune succursale à l'étranger.

Proposition de paiement d'un dividende

Amélioration de la politique de distribution

Ces dernières années, I.R.I.S. a forgé un historique de cash flows solides et prévisibles. Elle dispose d'une excellente position de liquidité caractérisée par une trésorerie nette de €13,2 millions au 31/12/2011. Le budget pour 2012 et au-delà confirme cette tendance. Les réserves disponibles d'I.R.I.S Group SA sont élevées (€10.4 million).

À la lumière de ces éléments, le Conseil d'administration propose à l'Assemblée Générale Annuelle de modifier la politique de distribution de 25 % à 35 % du résultat net. Cela se traduira par une augmentation du dividende qui atteindra €0,70 par action (brut) au titre de l'exercice 2011 (pour €0,57 par action (brut) l'année précédente).

Proposition de paiement d'un dividende au titre de l'exercice 2011

Sur base des résultats de l'exercice 2011 et des perspectives de la société, le Conseil d'administration propose à l'assemblée générale du 15 mai 2012 de fixer le dividende à distribuer à €0,70 bruts par action, soit un montant de €1.305.550,40 au titre de dividende pour l'exercice 2011, ce qui représente une hausse de 22,8 % par rapport au montant de dividende distribué au titre de l'exercice 2010.

Cette distribution sera effectuée par affectation du résultat et prélèvement sur les réserves disponibles. Le détachement du coupon n°9 et la mise en paiement du dividende sont prévus le 31 mai 2012.

Déclaration de gouvernement d'entreprise

La présente déclaration de gouvernance s'inscrit dans le cadre des dispositions du code belge de gouvernance d'entreprise 2009 (" Code 2009 ") ainsi que de la loi du 6 avril 2010 modifiant le code des sociétés.

Le conseil d'Administration déclare qu'à sa connaissance sa pratique de gouvernance d'entreprise est conforme aux principes et lignes de conduite du Code 2009, à l'exception de ce qui est précisé ci-après.

La charte de gouvernance d'entreprise décrit les aspects principaux de la gouvernance d'entreprise du groupe. Les dispositions de la charte de gouvernance d'I.R.I.S. visent à mettre en place un niveau élevé de transparence en matière de gouvernance d'entreprise. La transparence résulte de la publication d'informations dans deux documents différents : la Charte de gouvernance d'entreprise disponible sur le site internet de la société (<http://www.iriscorporate.com/c2-33-17/I-R-I-S—Corporate-governance.aspx>), et le chapitre de gouvernance d'entreprise dans le rapport annuel.

Le Code 2009 auquel la société se conforme est disponible sur :

<http://www.corporategovernancecommittee.be/library/documents/final%20code/CorporateGovFRCode2009.pdf>.

La Charte de gouvernance d'entreprise décrit les principaux aspects de la gouvernance d'entreprise d'I.R.I.S. Group. Elle sera mise à jour régulièrement, car la société adapte sa structure de gouvernance d'entreprise à l'évolution de ses besoins. Elle a été adoptée par le Conseil d'Administration du 17 mars 2006, modifiée par le Conseil d'Administration du 28 janvier 2008 et modifiée à nouveau par le Conseil d'Administration du 1er avril 2011. Dans cette Charte, I.R.I.S. déroge au code 2009 sur les points suivants :

" Le Code Belge de Gouvernance d'Entreprise recommande une séparation nette des responsabilités entre la conduite du conseil d'administration et la conduite des activités opérationnelles de la société, en conseillant notamment :

o que la même personne ne peut pas exercer à la fois la présidence du conseil d'administration et la fonction de Chief Executive Officer (CEO)

o que la répartition des responsabilités entre le président du conseil d'administration et le CEO soit clairement établie, mise par écrit et approuvée par le conseil d'administration

o le président établisse des relations étroites avec le CEO en lui apportant soutien et conseil, dans le respect des responsabilités exécutives de ce dernier.

Etant donné la volonté de la société, eu égard à sa taille actuelle et à la personnalité de son fondateur, de maintenir un lien très étroit entre la conduite du conseil d'administration et celle des affaires, le fondateur de la société peut exercer à la fois la présidence du conseil d'administration et la fonction de Chief Executive Officer (CEO).

" Le code 2009 préconise que le conseil d'administration nomme son président sur la base de ses connaissances, de ses compétences, de son expérience et de ses aptitudes de médiation. Si le conseil d'administration envisage de nommer le précédent CEO comme président, il considère avec circonspection les aspects positifs et négatifs d'une telle décision et publie dans la Déclaration de Gouvernance d'Entreprise les raisons pour lesquelles cette nomination est conforme aux meilleurs intérêts de la société.

Dans le cas d'I.R.I.S., cette recommandation n'est pas suivie étant donné la volonté de la société, eu égard à sa taille actuelle et à la personnalité de son fondateur, de maintenir un lien très étroit entre la conduite du conseil d'administration et celle des affaires : le fondateur de la société peut exercer à la fois la présidence du conseil d'administration et la fonction de Chief Executive Officer (CEO).

" Le Code Belge de Gouvernement d'Entreprise recommande la mise en place d'une fonction d'audit interne indépendante, dont les ressources et les compétences sont adaptées à la nature, à la taille et à la complexité de la société. Si la société n'a pas de fonction d'audit interne, la nécessité d'en créer une est évaluée au moins annuellement.

Eu égard à la taille et au niveau de complexité de la société, le CFO assure les fonctions de contrôle interne.

" Le Code 2009 recommande que le comité de nomination et de rémunération se réunisse au moins deux fois par an.

Eu égard à la volonté de la société de limiter le nombre d'administrateurs dans un souci d'efficacité, et donc au faible nombre de nominations et de modifications de rémunérations à prévoir, le comité de nomination et de rémunération se réunit au moins une fois par an.

" Le Code 2009 recommande que le comité d'audit se réunisse au moins quatre fois par an.

Eu égard au fait que la société publie ses comptes chaque semestre et non chaque trimestre, le comité d'audit se réunit au moins deux fois par an.

" Le Code 2009 préconise que les administrateurs non exécutifs procèdent à l'évaluation régulière, de préférence au moins une fois par an, de leur interaction avec le management exécutif ; à cet effet, ils se réunissent au moins une fois par an sans la présence du CEO et des autres administrateurs exécutifs.

Afin d'aligner ce processus sur l'évaluation périodique du Conseil, cette évaluation se fera au moins une fois tous les trois ans.

" Le Code 2009 recommande qu'en principe, les actions ne peuvent pas être attribuées définitivement et les options ne peuvent pas être exercées moins de trois ans après leur attribution.

Eu égard à la taille et aux conséquences éventuelles d'une acquisition de la société sur sa structure managériale, les plans d'options peuvent comprendre une clause prévoyant l'exercice possible de ces options, sans délai, en cas de lancement d'une offre publique d'achat sur la société.

Analyse et gestion des risques et incertitudes

Comme toute société qui évolue dans un marché compétitif, I.R.I.S. fait face à des risques généraux de marché.

En particulier:

- La faible croissance économique dans nos marchés domestiques: I.R.I.S. réalise l'essentiel de son chiffre d'affaires sur le territoire européen et aux USA,
- La concurrence croissante : le mûrissement du marché entraîne une concentration du secteur autour de quelques acteurs dominants, dont I.R.I.S., et un durcissement de la concurrence sur le plan international,
- L'évolution de la technologie : l'évolution des produits et des services est un souci constant, afin de rester à la pointe de la connaissance et des attentes des clients les plus exigeants.

En matière de propriété intellectuelle, la présence et la croissance d'I.R.I.S. sur le marché américain en font une cible potentielle d'attaques par des sociétés spécialisées dans le dépôt de brevets très généraux et souvent non valables. Le but de ces sociétés est généralement d'obtenir une transaction amiable évitant à l'entreprise attaquée d'exposer des frais de défense bien plus élevés. D'autre part, la politique d'I.R.I.S. est de ne pas déposer systématiquement de brevets pour les avancées technologiques réalisées, pour éviter de rendre publics l'ensemble des secrets de réalisation alors même qu'il serait extrêmement compliqué et coûteux de démontrer la contrefaçon en matière de propriété intellectuelle pour un logiciel informatique. Le nombre de dépôts de brevets est cependant en augmentation depuis ces 3 dernières années.

Les engagements contractuels tels la vente de projets au forfait peuvent éventuellement mener à des dépassements entraînant une perte financière pour le Groupe.

En matière financière, la société n'a pas utilisé d'instruments financiers pour couvrir les risques inhérents aux activités.

Risque de change

La présence d'I.R.I.S. Group aux Etats-Unis et les relations commerciales (ventes ou approvisionnements) avec les pays asiatiques ou à l'international font exister un risque de change en dollar américain.

Certains écarts de conversion naissent d'opérations purement comptables (conversion des filiales étrangères, élimination des soldes inter-compagnies et des opérations réciproques en devises) et ne concernent pas des gains ou perte réalisés. Il a très peu de marge de manœuvre pour les écarts de conversion de ce type. C'est pourquoi I.R.I.S. Group met en paiement régulièrement

les soldes intragroupes en devises afin de minimiser les écarts de conversion.

Pour les opérations " réalisées " (transactions de vente ou d'achat et paiement en dollar), nous tentons de réduire au maximum le risque de change :

- " en équilibrant nos volumes de vente et d'achat en dollar
- " en prenant une position bilantaire de couverture en dollar (emprunt ou placement en dollar contre respectivement placement ou emprunt en euro) lorsque nécessaire
- " en suivant régulièrement l'évolution du dollar et les prévisions financières, dans le but de réaliser nos positions en dollar au taux le plus favorable
- " au moyen d'opérations de couverture, si nécessaire.

En matière de risque de change, le risque lié à l'exposition croissante au dollar américain ne peut être totalement couvert.

Risque de taux d'intérêt

Les crédits d'investissement sont soit à taux variable convertible à taux fixe soit à des taux fixes favorables. Les conditions de marge et de coûts fixes pour les facilités de crédit ont été négociées aux meilleures conditions. Vu le niveau d'endettement, le risque nominal reste faible.

Risque de crédit

En matière de risque de crédit, le Groupe peut être exposé à un risque de contrepartie lié aux :

- Activités opérationnelles :

Les ventes au grand public sont réalisées par le biais de notre site internet et payées anticipativement par carte de crédit, les ventes aux distributeurs agréés sont réalisées en prépaiement ou avec un délai de paiement correspondant à un historique de relations commerciales, et des limites de crédit sont mises en place pour réduire le risque. Par contre, il faut noter que certains distributeurs bénéficient d'une garantie de retour ou de reprise des produits par I.R.I.S. Quant aux ventes aux entreprises et administrations, la diversité, la taille et la qualité des clients (banque, assurances, distribution, industrie, administrations et secteur public, organisations internationales) diversifient le risque de perte même si les délais de paiement peuvent être assez longs. La majorité des clients sont des grands comptes, de renommée et pour lesquels le risque crédit est faible.

I.R.I.S. apporte depuis toujours une attention particulière au risque de crédit et au risque de contrepartie. Le groupe a mis en place des procédures de suivi et de gestion du risque client et des procédures de paiements et de recouvrement adaptées aux spécificités des contreparties (entreprises privées, entreprises publiques, organisations internationales, particuliers). La période de crise a intensifié les efforts permanents que nous menons dans la gestion de ce risque et au suivi des créances clients.

- Activités de placement :

I.R.I.S. n'entend pas prendre de risques en matière de placements de trésorerie : l'ensemble des placements est effectué en produits garantissant le capital à 100% et rémunérant un intérêt garanti minimum. Le groupe a également comme politique de diversifier ses placements auprès de différents partenaires financiers. L'apparition au quatrième trimestre 2008 de la crise de liquidité des banques et du risque de défaillance de certaines a conforté le groupe dans sa politique très prudente. L'ensemble des placements consiste à fin 2011 en des placements à court terme sûrs et très liquides. Le groupe intensifie également sa politique de gestion de trésorerie centralisée.

Risque de liquidité

La position de trésorerie nette est excédentaire et la volonté de la société est de maintenir un niveau de trésorerie et des facilités de crédit non résiliables permettant de faire face à un manque de rentrées correspondant à quelques mois d'activité. Le groupe dispose donc de facilités de crédit largement adaptées à sa taille, à ses besoins et aux échéances auxquelles il aurait à faire face. C'est également dans cette optique que le groupe a contracté de nouveaux crédits d'investissement à taux fixe pour financer ou refinancer ses investissements et acquisitions et maintenir un niveau important de réserve de trésorerie. La politique de financement s'appuie également sur les principes de gestion centralisée au sein de la maison-mère et de diversification des financements auprès de différents partenaires financiers.

Risque sur les participations financières de I.R.I.S. Group SA

Sur le plan statutaire, le Conseil d'administration a examiné l'écart de valeurs entre la valeur de ses immobilisations financières et les fonds propres sous-jacents de ces participations financières. Compte tenu des perspectives de développement futur, le Conseil d'administration n'a pas identifié de sources de moins-values durables sur ces participations financières.

Description des principales caractéristiques des systèmes de contrôle interne et de gestion des risques de la société dans le cadre du processus d'établissement de l'information financière

Les principales caractéristiques des systèmes de contrôle interne et de gestion des risques de la Société dans le cadre du processus d'établissement de l'information financière sont définies à la lumière des objectifs de la Société, de son mode de fonctionnement, de sa taille et, enfin, des règles d'éthique et d'intégrité qu'elle s'impose.

En particulier, le conseil d'administration a défini et modifié à plusieurs reprises les différents règlements d'ordre intérieur du conseil d'administration et des différents comités. Ces règlements sont disponibles sur le site web de la société et contribuent à

créer un environnement de contrôle adapté.

La société entend poursuivre sa croissance sur le plan géographique, sur le plan de l'expansion du portefeuille technologique tout en améliorant sa rentabilité et en conservant une assise financière très saine, ce qui implique sans aucun doute une attitude prudente afin d'en assurer sa pérennité. En conséquence, le processus de gestion de risques est centralisé dans de multiples matières. A titre d'exemple, la société traite de façon centralisée les obligations légales et réglementaires en matière d'information financière, l'impact éventuel des changements dans les principes comptables, les autres programmes de gestion des risques tels les couvertures d'assurance, la gestion des placements de trésorerie, en conformité avec une politique de limitation des risques qui a fait l'objet d'une approbation par le conseil d'administration, l'endettement financier, la politique de R&D de la société, la gestion des litiges significatifs, la gestion des impôts et taxes, les opérations sur le capital de la société consolidante et de toutes ses filiales, les conditions générales de vente (Terms & Conditions), la cession d'actifs importants de la société.

Les activités de contrôle périodique sont assurées par de multiples moyens dont les nombreux contacts formels et informels du management exécutif avec les directeurs opérationnels, les travaux d'audit internes ad-hoc menés par la direction financière qui visent à s'assurer de l'application des normes et procédures en vue de maîtriser les risques, les analyses effectuées par le management exécutif, les analyses effectuées par les responsables fonctionnels ou opérationnels, le traitement centralisé des données du reporting financier, le traitement centralisé des retraitements de consolidation, les contrôles effectués par la cellule financière centrale, la centralisation de certaines tâches de traitement des risques susmentionnés ou encore la séparation des tâches (telle l'administration des ventes). Ces activités de contrôle sont complétées par le travail de l'auditeur externe.

En terme de fonctionnement, chaque organe intervient à différents niveaux dans le processus décisionnel et dans l'exécution des décisions prises, chaque rôle est défini au mieux afin d'optimiser le fonctionnement de la société. L'information de l'organe de gestion est assurée au moyen de nombreux systèmes et processus de contrôle mis en place au travers du management.

La société continue par exemple la mise en place de différents outils de gestion et de pilotage communs qu'elle a commencé il y a quelques années dont:

- o Un outil centralisé de gestion des contacts clients (CRM)
- o Un ERP comptable unique
- o Un outil commun de gestion des projets
- o Un reporting financier centralisé

Ces outils permettent d'avoir une approche unique en ce qui concerne l'analyse des données de gestion. Ils sont mis en place dans les business units les plus importantes et étendus progressivement à tout le groupe. Ils permettent d'obtenir une information périodique consistante qui est transmise à l'organe de gestion. Eu égard à ces objectifs à ces spécificités mais aussi à son mode de fonctionnement, les systèmes de contrôle interne donnent lieu à une identification et à une évaluation des risques par le conseil d'administration, les membres du comité d'audit ou enfin le management. Ils font l'objet d'un suivi ponctuel et le cas échéant donne lieu à des actions de remédiation. Les risques sont évalués par le management exécutif et sont transmis au comité d'Audit et au Conseil d'administration où ils sont discutés. L'auditeur externe complète les travaux de contrôle interne qui sont réalisés par le management.

En terme de pilotage, la notion de maîtrise des risques et de contrôle interne fait partie intégrante de la culture d'entreprise notamment dans le cadre des procédures mises en place de délégation de pouvoirs, de suivi des indicateurs-clés, de revue des écarts entre le budget et le réalisé, de mise en place d'outils de gestion dans les différentes business units du groupe, etc.

Structure de l'actionnariat telle qu'elle ressort des déclarations de transparence que la société a reçues

Dénominateur : 1 865 072 titres

Date de notification	Détenteurs de droits de vote financiers assimilés	Nombre de droits de vote attachés à des titres	Nombre d'instruments financiers assimilés
17/10/2008	Albert Frère	0	
17/10/2008	Cie Nationale à Portefeuille	112.395	
27/10/2008	Pierre De Muelenaere	119.113 8500	
27/10/2008	Baillie Gifford & co	27.896	
27/10/2008	Baillie Gifford Overseas Limited	57.114	
31/10/2008	Sofinim NV	112.395	
31/10/2008	Ackermans & Van Haaren NV	1.895	
31/10/2008	Stichting Administratiekantoor 'Het Torentje'	0	
31/10/2008	Raynive SA	81.446	
31/10/2008	Dumondal sc	0	
02/07/2009	FIN.CO	62.398	

02/07/2009 WALUFIN SA 0
 17/07/2009 Albert Frère 0
 17/07/2009 Cle Nationale à Portefeuille
 0
 22/07/2009 Canon Europa NV*
 314.790
 22/07/2009 Canon Inc.*
 -
 22/07/2009 Pierre de Muelenaere*
 47.645 8.500
 22/07/2009 Etienne Van de Kerckhove*
 6.360 8.500
 23/07/2009 Sofnir NV
 -
 23/07/2009 Ackermans & Van Haaren NV
 1.895
 23/07/2009 Stichting Administratiekantoor 'Het Torentje'
 -
 07/12/2011 Baillie Gifford & co
 0
 07/12/2011 Baillie Gifford Overseas Limited
 55.733
 *Agissant de concert

Récapitulatif des droits de vote

Total du capital (Eur) 38.774.902
 Nombre total de titres conférant le droit de vote 1.865.072
 Nombre total de droits de vote (= dénominateur) 1.865.072

Nombre total d'obligations convertibles en titres conférant le droit de vote 0
 Nombre total de droits à la souscription de titres conférant le droit de vote non encore émis (warrants) 41.834
 Nombre total de droits de vote qui résulteraient de l'exercice de ces droits de conversion ou de souscription 41.834
 Nombre total d'actions sans droit de vote 0

Composition et mode de fonctionnement des organes d'administration et de leurs comités ; Caractéristiques du processus d'évaluation du conseil d'administration, de ses comités et de ses administrateurs individuels.

Composition du conseil d'administration

La composition du conseil d'administration garantit que les décisions soient prises dans l'intérêt social. Cette composition est basée sur la mixité des genres, et la diversité en général, ainsi que sur la complémentarité de compétences, d'expériences et de connaissances. Le conseil d'administration est suffisamment restreint pour permettre la prise efficace de décisions. Il est suffisamment étoffé pour que ses membres y apportent l'expérience et la connaissance de différents domaines et que les changements dans sa composition soient gérés sans perturbation. Aucun administrateur individuel ou groupe d'administrateurs ne peut dominer la prise de décisions dans le conseil d'administration. Aucun membre individuel ne peut avoir de pouvoirs décisionnels excessifs. La moitié au moins du conseil d'administration est constituée d'administrateurs non exécutifs. Au moins trois d'entre eux sont indépendants au sens des critères repris dans la charte de gouvernance d'I.R.I.S. Au 31/12/2011, le conseil se compose des administrateurs suivants :

Pierre De Muelenaere, Président et CEO
 Etienne Van de Kerckhove, CEO
 Michel Claus, administrateur indépendant au sens de la charte de gouvernance du Groupe
 Gérard Constant, administrateur indépendant au sens de la charte de gouvernance du Groupe
 Pierre Sonveaux, administrateur indépendant au sens de la charte de gouvernance du Groupe
 Jean-Louis Grégoire
 Thierry Marchandise

Fonctionnement du conseil d'administration

Le président établit l'ordre du jour des réunions après avoir consulté le CEO et veille à ce que les procédures relatives à la préparation, aux délibérations, aux prises de décisions et à leur mise en œuvre soient appliquées correctement. L'ordre du jour reprend les sujets à aborder et précise s'ils le sont à titre d'information, en vue d'une délibération ou d'une prise de décision. Le président veille à ce que les administrateurs reçoivent en temps utile des informations précises avant les réunions et, au besoin, entre celles-ci. Pour ce qui concerne le conseil d'administration, la même information est communiquée à tous les administrateurs. Le président veille à ce que tous les administrateurs puissent contribuer aux discussions du conseil d'administration en toute connaissance de cause et à ce que le conseil d'administration dispose d'un temps de réflexion et de discussion suffisant avant la prise de décisions. Les administrateurs ont accès à des conseils professionnels indépendants aux frais de la société, dans le respect de la procédure fixée en la matière par le conseil d'administration. Le conseil d'administration se réunit suffisamment fréquemment pour exercer efficacement ses obligations. La société peut organiser, si nécessaire, des réunions du conseil d'administration et de ses comités via des supports vidéo, téléphoniques ou internet. Le nombre des réunions du conseil d'administration et de ses comités ainsi que le taux individuel de présence des administrateurs sont publiés dans le

chapitre de gouvernance d'entreprise du rapport annuel. Le conseil d'administration nomme un secrétaire général chargé de le conseiller en matière de gouvernance.

Evaluation du conseil d'administration

Sous la direction de son président, le conseil d'administration évalue au moins tous les trois ans sa taille, sa composition, son fonctionnement et celles de ses comités ainsi que son interaction avec le management exécutif. Le Conseil d'administration ayant été remanié en juillet 2009, il procédera à cette évaluation dans les 3 ans suivant cette date ou plus tôt si les circonstances le requièrent

Comités spécialisés au sein du conseil d'administration

Le conseil d'administration constitue :

Un Comité d'audit

Le comité d'audit est composé de trois administrateurs non exécutifs dont au moins un est indépendant au sens du Code des sociétés, et est compétent en matière de comptabilité et d'audit.

Un comité de nomination et de rémunération

Le comité de nomination et de rémunération est composé exclusivement d'administrateurs non exécutifs. La majorité de ses membres sont indépendants.

Ces comités réexaminent au moins tous les trois ans leur règlements d'ordre intérieur, évaluent leur propre efficacité et recommandent au conseil d'administration les ajustements nécessaires.

Le management exécutif

Le conseil d'administration confie le management exécutif aux CEO, avec tous les pouvoirs nécessaires pour lui permettre d'assumer ses responsabilités et obligations. Les CEO doivent avoir une marge de manœuvre suffisante pour proposer et mettre en place la stratégie de la société en tenant compte de ses valeurs, du niveau de risques qu'elle accepte de prendre et de ses politiques clés.

Les CEO peuvent constituer des comités au sein de la société pour les aider à préparer des décisions stratégiques et pour leur rapporter quant à l'exécution et au contrôle des opérations :

- Le comité stratégique aide les CEO à préparer leurs décisions stratégiques pour le groupe, sur base de toutes les informations opérationnelles et financières nécessaires. Le comité stratégique n'est pas un comité décisionnel ;
- Dans chaque division, des comités discutent des sujets opérationnels importants relatifs à la division concernée, rapportent sur l'exécution et sur le contrôle des opérations et aident les CEO à préparer leurs décisions relatives à la division concernée.

Conflits d'intérêts entre les administrateurs et la société

Le Conseil d'administration d'I.R.I.S. Group n'a eu à connaître d'aucune décision donnant lieu à l'application des articles 523 ou 524 du Code des Sociétés.

Indépendance et compétence des membres du Comité d'audit

Conformément à l'article 96 9° du code des sociétés, nous confirmons que l'ensemble des membres constituant le comité d'audit sont indépendants au sens du code belge de gouvernance d'entreprise et justifient de compétences en matière de comptabilité et d'audit acquises lors de leur formation, de leur expérience au sein de cabinets d'audit internationaux, de direction financière et/ou générale dans des groupes internationaux

Rapport de rémunération

Rémunération des administrateurs et managers exécutifs

Etant donné la coexistence, parmi les administrateurs et managers exécutifs, de différents statuts sociaux (travailleur indépendant et/ou travailleur salarié), et pour éviter toute incompréhension, le montant de la rémunération représente le coût total pour la société et comprend donc non seulement la rémunération de base, la rémunération variable (tout bonus relatif à l'exercice faisant l'objet du rapport annuel) et toutes autres composantes de la rémunération, telles que coût de pension, couverture d'assurances, valeur monétaire d'autres avantages en nature, mais aussi le montant des honoraires perçus, des charges patronales des travailleurs salariés, et l'entièreté du coût des véhicules.

Le montant global des rémunérations et autres avantages accordés directement ou indirectement par la société ou toute autre entité appartenant au groupe à charge de l'exercice 2011 atteint :

- Rémunérations et avantages 2011 (coût total pour l'entreprise) des administrateurs-délégués

Montants en € Rémunération fixe 2011 Rémunération variable Véhicules de fonction Autre Total

Pierre de Muelenaere 245.240 0 15.000 0 260.240
Etienne Van de Kerckhove 190.730 0 19.440 0 210.170
Total 435.970 0 34.440 0 470.410

- Options et warrants détenus et/ou attribués aux administrateurs-délégués

Aucun warrant ni aucune option n'ont été attribués au cours de l'exercice 2011. Au 31 décembre 2011, le nombre de warrants ou options détenus atteint :

Nombre d'options et de warrants		Options	Total
Administrateurs non-exécutifs	0	0	
Pierre De Muelenaere	8.500	8.500	
Etienne Van de Kerckhove	8.500	8.500	
Total	17.000	17.000	

Le prix d'exercice des options et des warrants est de €42,18.

Les administrateurs délégués ne perçoivent pas d'autre rémunération liée aux performances à Long Terme.

- Indemnités de départ

En cas de départ d'un CEO, il est prévu une période de préavis de 12 mois et une indemnité de départ égale à 12 mois de rémunération. Cette durée est justifiée par l'âge, l'ancienneté et les responsabilités des administrateurs exécutifs.

- Principe de rémunération variable

Une rémunération variable a été mise en place en 2006 pour les administrateurs exécutifs. La politique de cette rémunération variable vise à attribuer une rémunération plafonnée, calculée en fonction d'objectifs de rentabilité nette du Groupe. La rémunération n'est attribuée que si le bénéfice net dépasse un certain seuil par rapport à la marge brute. La rémunération variable pourrait représenter 100% de la rémunération fixe des CEO dans des circonstances de croissance de la rentabilité maximum.

Actions des CEO

Au 31/12/2011, les CEO avaient déclaré détenir les actions suivantes

Pierre de Muelenaere 47.645
Etienne Van de Kerckhove 6.360

Rémunération des administrateurs non-exécutifs

- Rémunérations et avantages (coût total pour l'entreprise) des administrateurs non-exécutifs pour leurs participations aux comités et conseils : €45.000

Rémunérations du commissaire

Les honoraires relatifs au mandat de certification des comptes statutaires et consolidés pour l'exercice 2011 s'élèvent à €146.500.

Le commissaire a réalisé plusieurs missions spéciales d'attestation liées à l'attribution d'un plan de warrants et liées à la rédaction de rapports spéciaux. Le montant des honoraires relatifs à ces interventions complémentaires atteint €4.000.

Divers

Le Conseil d'administration n'a pas établi de politique pour les transactions et autres relations contractuelles entre la société, y compris les sociétés liées, et les administrateurs et les managers exécutifs, autres que celles couvertes par les dispositions légales en matière de conflits d'intérêts.

Le Conseil n'a eu à appliquer aucune mesure particulière pour respecter la Directive 2003/6/CE sur les opérations d'initiés et les manipulations de marché (abus de marché).

Décharge aux administrateurs et au commissaire

Il est proposé d'accorder la décharge aux administrateurs et au commissaire pour leur mandat exercé au cours de l'exercice 2011.

Fait à Louvain-la-Neuve, le 11 avril 2012, et signé par circularisation.

Pierre De Muelenaere Etienne Van de Kerckhove

N°	BE 0448.040.624
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Michel Claus Gérard Constant

Jean-Louis Grégoire Thierry Marchandise

Pierre Sonveaux

RAPPORT DES COMMISSAIRES**Rapport du commissaire à l'assemblée générale des actionnaires de la société Image Recognition Integrated Systems Group sa sur les comptes annuels pour l'exercice clos le 31 décembre 2011**

Conformément aux dispositions légales et statutaires, nous vous faisons rapport dans le cadre de notre mandat de commissaire. Ce rapport inclut notre opinion sur les comptes annuels ainsi que les mentions complémentaires requises.

Attestation sans réserve**Attestation sans réserve des comptes annuels**

Nous avons procédé au contrôle des comptes annuels pour l'exercice clos le 31 décembre 2011, établis conformément au référentiel comptable applicable en Belgique, dont le total du bilan s'élève à € 56.527.557 et dont le compte de résultats se solde par un bénéfice de l'exercice de € 649.505.

Responsabilité du conseil d'administration dans l'établissement et la présentation sincère des comptes annuels
L'établissement des comptes annuels relève de la responsabilité du conseil d'administration. Cette responsabilité comprend: la conception, la mise en place et le suivi d'un contrôle interne relatif à l'établissement et la présentation sincère de comptes annuels ne comportant pas d'anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs; le choix et l'application de règles d'évaluation appropriées, ainsi que la détermination d'estimations comptables raisonnables au regard des circonstances.

Responsabilité du commissaire

Notre responsabilité est d'exprimer une opinion sur ces comptes annuels sur la base de notre contrôle. Nous avons effectué notre contrôle conformément aux dispositions légales et selon les normes de révision applicables en Belgique, telles qu'édictées par l'Institut des Réviseurs d'Entreprises. Ces normes de révision requièrent que notre contrôle soit organisé et exécuté de manière à obtenir une assurance raisonnable que les comptes annuels ne comportent pas d'anomalies significatives.

Conformément aux normes de révision précitées, nous avons mis en œuvre des procédures de contrôle en vue de recueillir des éléments probants concernant les montants et les informations fournis dans les comptes annuels. Le choix de ces procédures relève de notre jugement, de même que l'évaluation du risque que les comptes annuels contiennent des anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs.

Dans le cadre de cette évaluation du risque, nous avons tenu compte du contrôle interne en vigueur dans la société pour l'établissement et la présentation sincère des comptes annuels afin de définir les procédures de contrôle appropriées en la circonstance, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne de la société. Nous avons également évalué le bien-fondé des règles d'évaluation, le caractère raisonnable des estimations comptables significatives faites par la société, ainsi que la présentation des comptes annuels dans leur ensemble. Enfin, nous avons obtenu du conseil d'administration et des préposés de la société les explications et informations requises pour notre contrôle. Nous estimons que les éléments probants recueillis fournissent une base raisonnable à l'expression de notre opinion.

Opinion

A notre avis, les comptes annuels clos le 31 décembre 2011 donnent une image fidèle du patrimoine, de la situation financière et des résultats de la société, conformément au référentiel comptable applicable en Belgique.

Déclarations et informations complémentaires**Mentions complémentaires**

L'établissement et le contenu du rapport de gestion, ainsi que le respect par la société du Code des sociétés et des statuts, relèvent de la responsabilité du conseil d'administration.

Notre responsabilité est d'inclure dans notre rapport les mentions complémentaires suivantes qui ne sont pas de nature à modifier la portée de l'attestation des comptes annuels:

Le rapport de gestion traite des informations requises par la loi et concorde avec les comptes annuels. Toutefois, nous ne sommes pas en mesure de nous prononcer sur la description des principaux risques et incertitudes auxquels la société est confrontée, ainsi que de sa situation, de son évolution prévisible ou de l'influence notable de certains faits sur son développement futur. Nous pouvons néanmoins confirmer que les renseignements fournis ne présentent pas d'incohérences manifestes avec les informations dont nous avons connaissance dans le cadre de notre mandat.

Sans préjudice d'aspects formels d'importance mineure, la comptabilité est tenue conformément aux dispositions légales et réglementaires applicables en Belgique.

Nous n'avons pas à vous signaler d'opération conclue ou de décision prise en violation des statuts ou du Code des sociétés. L'affectation des résultats proposée à l'assemblée générale est conforme aux dispositions légales et statutaires.

Fait à:

Liège

12-04-2012

N°

BE 0448.040.624

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IMAGE RECOGNITION INTEGRATED SYSTEMS GROUP SA

Information réglementée.

RAPPORT FINANCIER INTERIMAIRE

1^{er} janvier 2012 – 30 juin 2012

Contenu

1. Chiffres clés
2. Commentaires et analyses du management
3. Etats financiers consolidés intérimaires pour le 1^{er} semestre 2012
 - a. Bilan consolidé - Actif et Passif
 - b. Compte de résultats consolidé
 - c. Cash-flow statement consolidé
 - d. Variations des capitaux propres
4. Principes comptables et règles d'évaluation conformément aux normes internationales IFRS
5. Commentaires sur les comptes semestriels au 30 juin 2012
6. Rapport du commissaire sur les états financiers consolidés intérimaires au 30 juin 2012

1 Chiffres clés

CHIFFRES CONSOLIDÉS IFRS (€)

COMPTE DE RESULTAT	<u>30/06/2012</u>	<u>30/06/2011</u>	<u>30/06/2010</u>	Variation 2011-2012
Produits des activités ordinaires	44.240.936	65.691.148	49.054.891	-32,65%
Production immobilisée et Autres produits opérationnels	1.751.982	2.026.618	1.649.960	
Produits opérationnels	45.992.918	67.717.766	50.704.851	-32,08%
Marge brute	29.733.609	29.617.375	27.281.643	0,39%
Cash flow d'exploitation (EBITDA)	3.459.533	2.910.510	1.972.540	18,86%
Résultat opérationnel (EBIT)	2.095.925	1.879.522	1.007.669	11,51%
Résultat financier net	48.975	-274.315	114.238	
Résultat opérationnel après résultat financier net	2.144.900	1.605.207	1.121.907	33,62%
Impôts	-539.125	-439.729	-318.643	
Résultat de la période	1.605.775	1.165.478	803.264	37,78%
Part du groupe dans le Résultat de la période	1.605.775	1.165.478	803.264	

BILAN CONSOLIDÉ (€)	<u>30/06/2012</u>	<u>30/06/2011</u>	<u>30/06/2010</u>	<u>31/12/2011</u>
Capital	38.774.902	38.774.902	38.774.902	38.774.902
Capitaux propres	63.129.675	60.853.125	57.689.520	63.487.122
Trésorerie et équivalents de trésorerie	13.699.766	11.471.346	9.133.798	14.815.520
Trésorerie nette*	12.227.321	9.812.457	7.477.836	13.219.871
Dettes financières nettes**	-10.710.652	-6.784.924	-2.800.040	-10.973.665
Dettes non courantes	1.926.075	3.370.291	5.077.168	2.637.229
Total du bilan	102.015.294	118.308.485	97.497.798	114.747.731

Résultat de base par action	<u>30/06/2012</u>	<u>30/06/2011</u>	<u>30/06/2010</u>
Nombre moyen pondéré d'actions en circulation pendant la période	1.833.925	1.844.264	1.836.383
Cash flow d'exploitation (EBITDA)/action	1,89	1,58	1,07
Résultat opérationnel (EBIT)/action	1,14	1,02	0,55
Résultat de la période/action	0,88	0,63	0,44
Capital/action	21,14	21,02	21,11
Capitaux propres/action	34,42	33,00	31,41

Résultat dilué par action	<u>30/06/2012</u>	<u>30/06/2011</u>	<u>30/06/2010</u>
Nombre moyen pondéré d'actions en circulation pendant la période	1.833.925	1.844.264	1.836.383
Nombre moyen pondéré de warrants dilutifs en circulation pendant la période	3.500	4.847	7.182
Nombre d'actions après dilution	1.837.425	1.849.112	1.843.565
Cash flow d'exploitation (EBITDA)/action	1,88	1,57	1,07
Résultat opérationnel (EBIT)/action	1,14	1,02	0,55
Résultat de la période/action	0,87	0,63	0,44

* Trésorerie nette = trésorerie et équivalents - dettes financières à moins d'un an

** Dettes financières nettes = Dettes financières long terme + dettes financières à moins d'un an - trésorerie et équivalents. Endettement si positif. En surplus de cash si signe négatif

2. Commentaires et analyses du management

Le conseil d'administration déclare, qu'à sa meilleure connaissance, les états financiers intermédiaires condensés et consolidés arrêtés au 30 juin 2012, établis conformément aux normes internationales d'information financière ("IFRS"), donnent une image fidèle du patrimoine, de la situation financière et des résultats du groupe I.R.I.S. et des entreprises comprises dans la consolidation. Le rapport financier intermédiaire contient un exposé fidèle sur les événements importants et les principales transactions avec les parties liées pendant les six premiers mois de l'exercice et sur leur incidence sur le jeu d'états financiers résumés, sur l'ensemble des informations qui doivent y figurer, ainsi qu'une description des principaux risques et incertitudes pour les mois restants de l'exercice.

Le Conseil d'Administration de I.R.I.S. Group est composé au 21 Août 2012 de Pierre De Muelenaere, Président du Conseil d'Administration et Administrateur-délégué, Etienne Van de Kerckhove, Administrateur-délégué, Pierre Sonveaux, Administrateur, Gérard Constant, Administrateur, Jean-Louis Grégoire, Administrateur, Thierry Marchandise, Administrateur et Michel Claus, Administrateur.

Le groupe I.R.I.S. et ses missions

I.R.I.S. : éditeur international de logiciels pour la reconnaissance intelligente de documents, intégrateur de solutions en gestion électronique de documents et de contenus et fournisseur d'architectures en infrastructure IT complexe

La mission d'I.R.I.S. est d'augmenter la productivité et les connaissances de ses clients en les aidant à mieux gérer leurs documents, données et informations.

I.R.I.S. Products & Technologies développe des technologies et des produits dans le domaine de la Reconnaissance Intelligente de Documents et commercialise son portefeuille de produits à l'échelle mondiale au travers de solides partenariats.

I.R.I.S. Professional Solutions permet aux sociétés et aux administrations de trouver en une seule compagnie un savoir-faire novateur et des solutions de haute technologie pour gérer efficacement leurs documents, leurs flux d'informations et leurs infrastructures informatiques.

I.R.I.S. emploie plus de 500 personnes réparties entre Louvain-la-Neuve, Vilvoorde et Anvers (Belgique), Orly (France), Windhof (Luxembourg), Amstelveen et Maastricht (Pays-Bas), Aachen (Allemagne), Delray Beach (Floride, Etats Unis), Hong Kong (Chine), Oslo (Norvège) et Copenhague (Danemark).

Résultats au 30/06/2012

Marge Brute: € 29,7 millions
EBITDA: € 3,5 millions (+18.9%)
Résultat net: € 1,6 million (+37.8%)

La marge brute est la mesure pertinente de la performance des activités d'I.R.I.S. : en effet, d'importants contrat a forte composante de matériel hardware et à faible marge peuvent impacter nos revenus mais ont un impact limité sur la marge brute. En 2011 par exemple, nous avons connu un revenu exceptionnel de vente de hardware avec peu de contribution dans la marge brute. Ceci explique que la marge brute du premier semestre 2012 soit au même niveau que l'année dernière, même si le chiffre d'affaires est significativement plus bas (€44,2 millions fin juin 2012 contre €65,7 millions fin juin 2011).

I.R.I.S. a connu un changement dans la composition de ses revenus avec une augmentation des ventes de licences, de maintenance et de services (y compris en « system performance » et en « remote monitoring ») et une diminution des ventes de hardware à faible marge. La marge brute consolidée a atteint €29,7 millions à fin juin 2012 pour €29,6 millions à fin juin 2011. Les charges opérationnelles (hors charges d'amortissements) diminuent de €-0,7 million (-2,5%) comparativement à 2011. Cette économie est un des multiples bénéfices des efforts de réorganisation initiés à mi-2011. Le cash-flow d'exploitation (EBITDA) augmente à €3,5 millions (contre €2,9 millions à fin juin 2011), ce qui représente une croissance de 18,9%. Après déduction des amortissements (€1,4 million) et des impôts (€0,5 million), le bénéfice net est de €1,6 million (contre €1,2 million en 2011) en croissance de +37,8%

Développement international des affaires significatif

Au cours de ce premier semestre, nous avons fourni de nombreux efforts pour accroître l'empreinte de la société et développer notre réseau de partenaires. Nous pouvons citer par exemple :

- De nouveaux partenaires dans les canaux de distribution: ESQUIRE en Afrique du Sud, ABC Data dans les marchés d'Europe Centrale et de l'Est , AVANQUEST SOFTWARE sur les marchés allemands, autrichiens et suisses, DELTACO en Suède, au Danemark et en Finlande, NORTHAMBER au Royaume-Uni, mais aussi ADITYA INFOTECH LTD en Inde..
- Nous avons renforcé notre présence dans les canaux de distribution avec un nouvel accord avec la FNAC, un des plus grands distributeurs européens ainsi qu'avec 5 distributeurs européens spécialisés dans le téléchargement de logiciels.

Une initiative clé de croissance en Amérique du Nord sur le marché « corporate » et le récent partenariat conclu avec SALUMATICS Inc., une société spécialisée dans la gestion de l'information pour la santé qui offre un portefeuille intégré de services, solutions et technologies à destination du secteur d'activité de la santé. Ensemble, nous fournirons des applications pour la gestion et le classement automatiques de documents, pour l'indexation des informations sur les patients et pour le processus de facturation.

Durant ce premier semestre, nous avons lancé avec succès une série de nouveaux produits :

- IRISCompressor™, un nouveau logiciel basé sur la technologie d'hyper compression intelligente d'I.R.I.S. (iHQC™), conçu pour convertir une image de document standard (formats non compressés, JPEG, JPEG 2000, PNG, TIFF, PDF image, etc. en couleur ou en noir et blanc) en nouveau document PDF en couleur ou en noir et blanc de taille considérablement réduite (jusqu'à 20 fois). Ce produit est vendu aux particuliers ainsi qu'aux entreprises dans le cadre du programme de licences de site.
- IRISNotes™ 2, un stylo pour l'écriture et la prise de note digitale qui capture vos notes manuscrites et vos dessins et les convertit en texte éditable sur votre ordinateur pour ensuite les envoyer vers votre processeur de texte favori (Word, Outlook®, Notepad). Il peut aussi envoyer vos notes manuscrites et vos croquis directement sur votre iPhone® ou iPad®, afin que vous les partagiez par email de façon instantanée.
- IRIScan™ Anywhere 3, un scanner A4 sans fil, compact et alimenté par batterie. Il permet aux utilisateurs mobiles de numériser toute sorte de documents sans ordinateur. De retour à la maison ou au bureau, les documents scannés sont automatiquement traités par le tout nouveau et puissant logiciel OCR d'I.R.I.S., Readiris 14 qui les convertit en fichiers éditables (PDFs hyper-compressés (iHQC™), fichiers Word ou Excel®). Grâce aux connections Cloud de Readiris, les fichiers digitaux sont exportés vers les applications en ligne grand public telles que Evernote®, Google Docs™, Dropbox, iCloud® pour un partage rapide et facile de l'information.
- IRIScan™ Express 3, une puissante combinaison qui allie un scanner couleur ultra portable et le logiciel d'OCR révolutionnaire d'I.R.I.S. Compact, léger et alimenté par USB, il est conçu pour être transporté partout afin de numériser tout type de documents (reçus, contrats, articles et même des photos) et les convertir en fichiers éditables tels que des fichiers Word, Excel® ou des PDFs hyper-compressés dans un but d'archivage ou de partage aisé.
- Readiris™ 14 et Readiris™ Corporate 14, pour PC et pour Mac, des versions différentes de notre produit phare d'OCR, également disponible pour iPad, qui convertit des documents papier en texte

numérique modifiable. Cette dernière version propose une toute nouvelle interface conviviale, des fonctions d'hyper compression ainsi que des connecteurs vers le Cloud. Readiris™ 14 est un produit important, conçu aussi bien pour les utilisateurs privés que pour les petites ou grandes entreprises et organisations. C'est également un produit d'entrée pour les solutions professionnelles.

La commercialisation de ces nouveaux produits devrait contribuer à la croissance du chiffre d'affaires dans les mois à venir. D'autres lancements de produits sont prévus dans le courant de l'année.

Nous avons renforcé notre présence dans les canaux de distribution avec un nouvel accord avec la FNAC, un des plus grands distributeurs européens ainsi qu'avec 5 distributeurs européens spécialisés dans le téléchargement de logiciels.

Dans le segment des Solutions Professionnelles, nous avons signé et délivré de très intéressants projets. Quelques exemples sont nos partenariats avec VILLE DE NANTERRE (France), BIWING Group (France); K2 (Allemagne), VICTOR BUCK SERVICES (Luxembourg), TORONTO COMMUNITY HOUSING (Canada), VPK PACKAGING GROUP (B); CREDOC (Fédération Belge des Notaires) (B), UNMS (Union Nationale des Mutualités Socialistes) (Belgique), SOLVAY (Belgique), VILLE DE NAMUR (Belgique), AFSCA (Belgique), TECTEO (Belgique), FONDS DES ACCIDENTS DU TRAVAIL (Belgique), PSA (France), BOCCARD (France), MUTUELLE INTÉRIALE (France), etc.

Nous avons également étendu notre activité auprès des Institutions et Organisations Internationales avec des appels d'offre remportés tels que STIS III, SINAPSE, CURIA and DG COMMUNICATION et, comme annoncé en février, nous avons renforcé nos activités avec la Commission Européenne d'environ vingt nouvelles ressources.

Impact positif du plan de réorganisation

Nous avons progressé significativement dans notre plan de réorganisation entamé mi-2011 qui touche une partie de notre division Professional Solutions.

Avec une organisation rationnelle et un focus plus international, nous avons déjà réalisé des bénéfices significatifs :

- le développement de synergies entre les différents segments d'activités
- l'amélioration de l'organisation des activités ventes, avant-vente et après-vente
- l'accélération de l'expansion des solutions I.R.I.S. dans des secteurs spécifiques à l'échelle internationale
- l'accélération des investissements dans les services technologiques (SaaS)
- des économies récurrentes de dépenses d'exploitation.

L'organisation Professional Solutions d'I.R.I.S. a une expertise unique et forte pour la capture de documents, la gestion documentaire et l'optimisation du Business Process dans quelques marchés verticaux clés comme les services et conseils légaux, le secteur de la santé, le secteur bancaire, etc. Afin d'exploiter la totalité de son potentiel international, nous devons modifier pas à pas notre organisation pour lui donner une véritable portée internationale dans des secteurs clés. Notre ambition est d'étendre plus rapidement le nombre de nos clients dans certaines niches. Il est également essentiel d'anticiper les besoins grandissants de nos grands clients multi-nationaux. Des progrès significatifs ont déjà été accomplis, ce qui aidera I.R.I.S. Professional Solutions à croître plus rapidement dans le futur.

Perspectives encourageantes pour l'année 2012

Notre activité connaît et devrait continuer à connaître une certaine saisonnalité en raison notamment de périodes de vacances et de l'influence du calendrier fiscal sur les cycles de décisions budgétaires et les habitudes d'achats. Il en résulte une plus forte concentration des ventes et de la marge brute dans notre activité au cours du deuxième semestre et en particulier au quatrième trimestre.

Nous constatons par exemple que le troisième trimestre est toujours influencé par la période des vacances où les prestations de services dans notre secteur d'activité sont réduites. En outre, en raison des décisions budgétaires qui sont implémentées à la fin de l'année civile, le quatrième trimestre connaît habituellement des ventes de matériel et de licences plus élevées que celles des trois premiers trimestres.

Ainsi, une marge brute importante étant réalisée au quatrième trimestre, cela signifie également qu'une partie importante de la rentabilité est générée en fin d'année.

Cette année, le quatrième trimestre sera également crucial. Quelques dossiers importants pourraient influencer significativement (et positivement) la performance au cours de ce dernier trimestre.

Dans ces circonstances, le management pense que la société sera capable d'atteindre un bon niveau de rentabilité pour l'ensemble de l'année 2012, tout en maintenant tous les investissements clés en recherche et développement, en marketing et en développement commercial.

Position financière solide

Les capitaux propres sont de € 63,1 millions (€ 34,42 par action, +4,3%). La trésorerie nette (après déduction des dettes financières à court terme) est de € 12,2 million (+24,6%) alors que nous avons procédé au rachat de 25.535 actions pour un montant de € 0,8 million suite au plan de rachat d'actions annoncé en mars 2012. La société continue à générer un cash flow d'exploitation significatif (EBITDA) et possède des lignes de crédit inutilisées de € 14,5 millions.

En conclusion, les résultats du premier semestre 2012 sont conformes aux attentes de la direction. Toutefois, le second semestre de l'année aura une importance décisive sur les résultats de l'année qui affichent généralement de meilleures performances au second semestre qu'au premier. L'année 2012 devrait connaître ces mêmes variations saisonnières. Par conséquent, le deuxième semestre restera la clé de nos résultats de l'année.

3. Etats financiers consolidés IFRS (en €) du 1^{er} semestre 2012

BILAN CONSOLIDE IFRS (€)

ACTIF CONSOLIDE IFRS (€)	30/06/2012	31/12/2011
ACTIFS NON COURANTS	50.441.583	50.186.442
Immobilisations incorporelles	12.663.372	12.112.796
Goodwill	28.546.437	28.546.437
Immobilisations corporelles	7.005.477	7.286.892
<i>Terrains et constructions</i>	<i>5.531.024</i>	<i>5.708.213</i>
<i>Installations, machines et outillages</i>	<i>884.167</i>	<i>952.336</i>
<i>Mobilier et matériel roulant</i>	<i>515.280</i>	<i>500.587</i>
<i>Location-financement et droits similaires</i>	<i>44.212</i>	<i>77.774</i>
<i>Autres immobilisations corporelles</i>	<i>26.794</i>	<i>47.982</i>
<i>Immobilisations en cours et acomptes versés</i>	<i>4.000</i>	<i>0</i>
Autres actifs non courants	364.031	379.171
Actifs d'impôts différés	1.862.266	1.861.146
ACTIFS COURANTS	51.573.711	64.561.289
Stocks	2.969.163	2.725.173
Approvisionnements	1.405.258	1.337.276
Produits finis	1.269.579	1.056.540
Marchandises	294.326	331.357
Montants dus par les clients sur les contrats en cours	578.002	1.183.197
Créances commerciales et autres débiteurs	32.247.486	43.562.565
<i>Créances commerciales</i>	<i>29.905.194</i>	<i>39.828.178</i>
<i>Autres créances</i>	<i>2.342.292</i>	<i>3.734.387</i>
Trésorerie et équivalents de trésorerie	13.699.766	14.815.520
Placements de trésorerie	4.011.782	126.311
Valeurs disponibles	9.687.984	14.689.209
Autres Actifs courants	2.079.294	2.274.834
TOTAL DE L'ACTIF	102.015.294	114.747.731

CAPITAUX PROPRES ET PASSIFS CONSOLIDES IFRS**(€)****30/06/2012****31/12/2011**

CAPITAUX PROPRES	63.129.675	63.487.122
Capital	38.774.902	38.774.902
Capital souscrit	38.774.902	38.774.902
Primes d'émission	6.610	6.610
Réserves consolidées	24.301.865	24.705.658
Résultat reporté	24.806.981	24.508.017
Capitaux propres - paiements fondés sur des actions	611.668	556.876
Capitaux propres - actions propres	-1.116.784	-359.235
Ecarts de conversion	46.298	-48
PASSIFS NON COURANTS	4.486.760	5.405.403
Provisions pour risques et charges	385.174	541.455
Autres risques et charges	385.174	541.455
Impôts différés	2.175.511	2.226.719
Dettes non courantes	1.926.075	2.637.229
Pensions et obligations similaires	409.406	391.023
Dettes à plus d'un an	1.516.669	2.246.206
<i>Dettes de location-financement et assimilées</i>	19.401	22.325
<i>Etablissement de crédit</i>	1.497.268	2.223.881
Autres dettes	0	0
PASSIFS COURANTS	34.398.859	45.855.206
Dettes à plus d'un an échéant dans l'année	1.472.373	1.595.523
Dettes financières	72	126
<i>Etablissement de crédit</i>	72	126
Dettes commerciales et autres dettes	26.066.085	38.016.693
Dettes commerciales	10.943.737	26.024.371
Montants dus aux clients sur contrats en-cours	1.258.743	1.380.933
Dettes fiscales, salariales et sociales	6.887.616	9.184.933
<i>Impôts sur le résultat</i>	1.403.610	2.262.401
<i>Autres Impôts</i>	847.166	1.204.813
<i>Rémunérations et charges sociales</i>	4.636.840	5.717.719
Autres dettes	6.975.989	1.426.456
Autres passifs courants	6.860.329	6.242.864
TOTAL DU PASSIF	102.015.294	114.747.731

Compte de résultat consolidé IFRS € - Période se terminant le:	30/06/2012	30/06/2011
PRODUITS OPERATIONNELS	45.992.918	67.717.766
<i>Produits des activités ordinaires</i>	<i>44.240.936</i>	<i>65.691.148</i>
<i>Production immobilisée</i>	<i>882.062</i>	<i>934.170</i>
<i>Autres produits opérationnels</i>	<i>869.920</i>	<i>1.092.448</i>
Charges opérationnelles	-43.896.993	-65.838.244
<i>Approvisionnements et marchandises</i>	<i>-14.507.327</i>	<i>-36.073.773</i>
<i>Services et biens divers</i>	<i>-10.233.883</i>	<i>-10.533.260</i>
<i>Rémunérations, charges sociales et pensions</i>	<i>-17.795.885</i>	<i>-18.449.152</i>
<i>Amortissements et pertes de valeur sur immobilisations</i>	<i>-1.363.608</i>	<i>-1.030.988</i>
<i>Pertes de valeur sur stocks et créances commerciales</i>	<i>89.606</i>	<i>-28.197</i>
<i>Provisions pour risques et charges</i>	<i>156.281</i>	<i>505.709</i>
<i>Autres charges opérationnelles</i>	<i>-242.177</i>	<i>-228.583</i>
RESULTAT OPERATIONNEL (EBIT)	2.095.925	1.879.522
Produits financiers	261.338	255.362
<i>Produits des immobilisations financières</i>	<i>30.921</i>	<i>11.541</i>
<i>Produits des actifs circulants</i>	<i>13.948</i>	<i>20.458</i>
<i>Autres produits financiers</i>	<i>216.469</i>	<i>223.363</i>
Charges financières	-212.363	-529.677
<i>Charges des dettes</i>	<i>-67.530</i>	<i>-102.986</i>
<i>Autres charges financières</i>	<i>-144.833</i>	<i>-426.691</i>
RESULTAT FINANCIER NET	48.975	-274.315
RESULTAT DES ACTIVITES ORDINAIRES après résultat financier net	2.144.900	1.605.207
IMPOTS	-539.125	-439.729
<i>Impôts différés</i>	<i>46.863</i>	<i>-22.302</i>
<i>Impôts exigibles</i>	<i>-585.989</i>	<i>-418.981</i>
<i>Régularisations d'impôts</i>	<i>1</i>	<i>1.554</i>
RESULTAT DE LA PERIODE	1.605.775	1.165.478
RESULTAT CONSOLIDE	1.605.775	1.165.478
<i>Participations ne donnant pas le contrôle</i>	<i>0</i>	<i>0</i>
<i>Propriétaires de la société mère</i>	<i>1.605.775</i>	<i>1.165.478</i>
Résultat de base par action (€)	30/06/2012	30/06/2011
<i>Nombre moyen pondéré d'actions en circulation pendant la période</i>	<i>1.833.925</i>	<i>1.844.264</i>
<i>Résultat opérationnel (EBIT)/ action</i>	<i>1,14</i>	<i>1,02</i>
<i>Résultat de la période/ action</i>	<i>0,88</i>	<i>0,63</i>
Résultats dilué par action (€)	30/06/2012	30/06/2011
<i>Nombre moyen pondéré d'actions en circulation pendant la période</i>	<i>1.833.925</i>	<i>1.844.264</i>
<i>Nombre moyen pondéré de warrants dilutifs en circulation pendant la période</i>	<i>3.500</i>	<i>4.847</i>
<i>Nombre d'actions après dilution</i>	<i>1.837.425</i>	<i>1.849.112</i>
<i>Résultat opérationnel (EBIT)/ action</i>	<i>1,14</i>	<i>1,02</i>
<i>Résultat de la période/ action</i>	<i>0,87</i>	<i>0,63</i>
Etat du résultat global (€)	30/06/2012	30/06/2011
<i>Résultat de la période</i>	<i>1.605.775</i>	<i>1.165.478</i>
<i>Gain et pertes de conversion</i>	<i>46.346</i>	<i>-82.801</i>
Résultat global total	1.652.121	1.082.677
<i>Part du groupe</i>	<i>1.652.121</i>	<i>1.082.677</i>

TABEAU DES FLUX DE TRESORERIE CONSOLIDE IFRS (€)	30/06/2012	30/06/2011
Résultat avant impôt	2.144.900	1.605.207
Amortissements sur immobilisations corporelles et incorporelles	1.363.608	1.030.988
Pertes de valeur sur stocks et sur créances commerciales (dotations-reprises)	-89.606	28.197
Provision pour risques et charges	-156.281	-505.709
Produits des actifs circulants	-44.869	-31.999
Charges des dettes	67.530	102.986
Capitaux propres - options	54.792	27.243
Cash flow résultant des opérations courantes	3.340.074	2.256.913
Autres actifs non courants	15.140	-37.400
Stocks et montants dus par les clients sur contrats en cours	233.796	-435.214
Créances courantes	11.532.094	10.475.285
Autres actifs courants	195.540	323.881
Ecart de conversion	101.043	-82.747
Pensions et obligations similaires	18.383	-75.275
Dettes commerciales	-15.080.634	-7.919.087
Montants dus aux clients	-122.190	128.791
Dettes fiscales, salariales et sociales	-2.486.661	-338.838
Autres dettes	5.596.546	276.670
Autres passifs courants	617.465	97.914
Impôts payés sur le résultat	-396.644	-600.066
Variation du fonds de roulement	223.878	1.813.914
FLUX DE TRESORERIE PROVENANT DE L'EXPLOITATION	3.563.952	4.070.827
Capital - augmentation	0	0
Capitaux propres - actions propres	-820.049	-49.262
Dividendes	-1.290.064	-862.363
Divers	-6.725	1.585
Variation des capitaux propres hors résultat	-2.116.838	-910.040
Dettes financières	-729.537	-835.485
Intérêts reçus	44.869	31.999
Intérêts payés	-67.530	-102.986
Variation des capitaux empruntés	-752.198	-906.472
FLUX DE TRESORERIE PROVENANT DES ACTIVITES DE FINANCEMENT	-2.869.036	-1.816.512
Acquisition de filiale, sous déduction de la trésorerie acquise	0	-458.333
Acquisitions de participations de l'exercice	0	-458.333
Investissements en immobilisations incorporelles et corporelles	-1.632.769	-1.325.794
Investissements d'exploitation	-1.632.769	-1.325.794
FLUX DE TRESORERIE PROVENANT DES ACTIVITES D'INVESTISSEMENT	-1.632.769	-1.784.127
VARIATION DES RESSOURCES ET UTILISATIONS DE FONDS	-937.852	470.188
Liquidités et équivalents à l'ouverture de l'exercice	13.219.871	9.342.269
Liquidités et équivalents à la clôture de l'exercice	12.227.321	9.812.457
Ecart de conversion	-54.698	0
VARIATION DE LA TRESORERIE	937.852	-470.188

Variation des capitaux propres consolidés (€)	Capital	Primes d'émission	Actions propres	Paielements fondés sur des instruments de capitaux propres	Résultat reporté	Ecarts de conversion	Capitaux propres
31/12/2010	38.774.902	6.610	-274.240	486.691	21.827.352	-49.900	60.771.415
Résultat global total de la période					1.165.478	-82.747	1.082.731
Cessions/Acquisitions d'actions propres			25.575				25.575
Ecarts de conversion sur opérations en devises							0
Transfert					9.252		9.252
Augmentation de capital							0
Dividende					-1.063.091		-1.063.091
Stock Option plan				27.243			27.243
30/06/2011	38.774.902	6.610	-248.665	513.934	21.938.991	-132.647	60.853.125

Variation des capitaux propres consolidés (€)	Capital	Primes d'émission	Actions propres	Paielements fondés sur des instruments de capitaux propres	Résultat reporté	Ecarts de conversion	Capitaux propres
30/06/2011	38.774.902	6.610	-248.665	513.934	21.938.991	-132.647	60.853.125
Résultat global total de la période	0	0	0	0	2.578.219	132.599	2.710.818
Cessions/Acquisitions d'actions propres	0	0	-110.570	0	0	0	-110.570
Ecarts de conversion sur opérations en devises	0	0	0	0	59	0	59
Transfert	0	0	0	0	-9.252	0	-9.252
Augmentation de capital	0	0	0	0	0	0	0
Dividende	0	0	0	0	0	0	0
Stock Option plan	0	0	0	42.942	0	0	42.942
31/12/2011	38.774.902	6.610	-359.235	556.876	24.508.017	-48	63.487.122

Variation des capitaux propres consolidés (€)	Capital	Primes d'émission	Actions propres	Paielements fondés sur des instruments de capitaux propres	Résultat reporté	Ecarts de conversion	Capitaux propres
31/12/2011	38.774.902	6.610	-359.235	556.876	24.508.017	-48	63.487.122
Résultat global total de la période					1.605.775	46.346	1.652.121
Cessions/Acquisitions d'actions propres			-757.549				-757.549
Ecarts de conversion sur opérations en devises							0
Transfert					-1.261		-1.261
Augmentation de capital							0
Dividende					-1.305.550		-1.305.550
Stock Option plan				54.792			54.792
30/06/2012	38.774.902	6.610	-1.116.784	611.668	24.806.981	46.298	63.129.675

Les capitaux propres consolidés ont diminué de €357.447 entre le 1^{er} janvier 2012 et le 30 juin 2012. Cette diminution provient d'une diminution des capitaux propres de €757.549 suite aux opérations sur actions propres, d'une augmentation provenant du résultat global total de la période d'un montant de €1.652.121, de la diminution des réserves de €1.305.550 au titre de distribution de dividende, de la valorisation des paiements basés sur des instruments de capitaux propres pour un montant de €54.792 et d'une diminution de €1.261 suite à des écarts de conversion ou autres éléments.

L'année précédente, sur la même période, les capitaux propres avaient augmenté de €81.710. Cette augmentation provenait d'une augmentation des capitaux propres de €25.575 suite aux opérations sur actions propres, du résultat global total de la période d'un montant de €1.082.731, de la diminution des réserves de €1.063.091 au titre de distribution de dividende, de la valorisation des paiements basés sur des instruments de capitaux propres pour un montant de €27.243 et d'une variation de €9.252 suite à des écarts de conversion ou autres éléments.

4. Base d'établissement des comptes consolidés

Les comptes consolidés du groupe I.R.I.S. au 30 juin 2012 sont établis conformément aux International Financial Reporting Standards (IFRS) adoptées pour application dans l'Union Européenne.

Ce rapport financier intermédiaire est conforme à « IAS 34 - Information financière intermédiaire ».

Les mêmes principes et méthodes comptables ont été appliqués au cours du 1^{er} semestre 2012 que dans les états financiers IFRS de l'exercice 2011 (ces principes et méthodes sont décrits dans le rapport annuel 2011), mis à part l'adoption par le groupe de nouvelles normes et interprétations devenues obligatoires le 1^{er} janvier 2012. L'adoption des nouvelles normes et interprétations dont l'application est devenue obligatoire pour le Groupe I.R.I.S. au 1er janvier 2012 n'a eu aucun effet sur les états financiers du Groupe.

I.R.I.S. n'applique anticipativement aucune norme ou interprétation dont l'application n'est pas obligatoire au 30 juin 2012.

Utilisation d'estimation

La préparation des états financiers nécessite l'utilisation d'estimations et d'hypothèses pour la détermination de la valeur des actifs et des passifs, l'évaluation des événements positifs et négatifs à la date de clôture, ainsi que les produits et charges de l'exercice.

I.R.I.S. Group révisé ses estimations sur la base d'informations régulièrement mises à jour. Il est possible que les résultats futurs des opérations concernées diffèrent de ces estimations, ce qui est propre à tout processus d'évaluation.

A ce jour, à la connaissance d'I.R.I.S. Group, il n'existe aucun élément qui indiquerait que les estimations et hypothèses retenues ne sont pas appropriées et justifiées ni aucune évolution ou information connue qui serait de nature à modifier significativement les montants enregistrés ou provisionnés.

Les estimations significatives réalisées par I.R.I.S. Group pour l'établissement des états financiers portent principalement sur :

- l'évaluation à la juste valeur des actifs acquis et des passifs repris dans le cadre d'un regroupement d'entreprises :

Les principales hypothèses et estimations utilisées pour déterminer la juste valeur des actifs acquis et des passifs repris incluent notamment les perspectives futures de marché nécessaires à l'évaluation des flux de trésorerie futurs ainsi que les taux d'actualisation à appliquer.

Les valeurs utilisées reflètent les meilleures estimations du management.

- l'évaluation de la valeur recouvrable des *goodwills*, des immobilisations corporelles et incorporelles dans la réalisation des tests de dépréciation (*Impairment tests*) :

Des hypothèses et des estimations sont réalisées pour déterminer la valeur recouvrable des *goodwills*, des immobilisations incorporelles et corporelles. Elles portent en particulier sur les perspectives de marché permettant d'évaluer les flux de trésorerie et le taux d'actualisation à appliquer. Toute modification de ces hypothèses pourrait avoir un effet significatif sur le montant de la valeur recouvrable.

- l'évaluation des provisions, notamment les provisions pour litiges, ainsi que les engagements de retraite et assimilés :

Les paramètres qui ont une influence significative sur le montant des provisions sont le niveau des coûts en lui-même et l'évolution future des litiges. Ces paramètres sont établis sur la base des informations et estimations que la société estime les plus appropriées à la date de clôture des exercices. Il n'y a, à la connaissance d'I.R.I.S. Group, aucun élément ni aucune évolution connue qui serait de nature à affecter de manière significative les montants provisionnés.

L'évaluation des engagements pour retraite repose sur des calculs actuariels. Le management estime que les hypothèses retenues pour évaluer les engagements sont appropriées et justifiées. Toute modification d'hypothèse pourrait cependant avoir un impact significatif.

- l'évaluation des déficits fiscaux reportables activés :

Des actifs d'impôt différé sont comptabilisés au titre des pertes fiscales reportables, lorsqu'I.R.I.S. Group estime comme probable que le groupe disposera de bénéfices imposables permettant d'imputer ces pertes fiscales non utilisées. Les prévisions de bénéfices imposables ont été élaborées à partir des projections de résultat telles que préparées dans le cadre des plans d'affaires à moyen terme.

- les prévisions d'évolution des résultats :

Ce rapport intérimaire contient des évaluations faites par le management en ce qui concerne le business, la santé financière de l'entreprise, les résultats futurs d'I.R.I.S. Group et de ses filiales. Ces évaluations sont faites sur base des attentes du management et de sa compréhension du marché. Elles sont sujettes aux risques et incertitudes qui sont exprimés dans le présent rapport sous la section « analyse et gestion des risques et incertitudes ». La performance financière de la société pourrait le cas échéant différer matériellement en fonction de changement de l'état de la technologie, de conditions de marché, de concentration de la société sur un segment, de déclin de la demande des produits et solutions proposés par la société, d'incapacité de lancer des nouveaux produits, de perte de parts de marché, de pressions concurrentielle, etc. Ces conditions de marché pourraient avoir un impact significatif et défavorable sur les prévisions de résultats dont il est fait état dans le présent rapport. Les engagements contractuels tels la vente de projets au forfait peuvent éventuellement mener à des dépassements entraînant une perte à terminaison ; le cas échéant, ces pertes sont estimées au moment de la clôture de comptes et provisionnées.

5. Commentaires sur les comptes semestriels au 30 juin 2012

Informations sur la société

Image Recognition Integrated Systems Group S.A. (en abrégé I.R.I.S. Group) est une société anonyme de droit belge dont le siège social est situé au Parc Scientifique de Louvain-La-Neuve, Rue du Bosquet 10, B-1435 Mont-Saint-Guibert. Son numéro d'entreprise est le BE 0448.040.624. La société est cotée sur NYSE Euronext Brussels.

Les états financiers semestriels consolidés ont été arrêtés, et leur diffusion décidée, par le Conseil d'administration du 21 août 2012. Ils comprennent Image Recognition Integrated Systems Group SA et l'ensemble de ses filiales, l'ensemble étant repris sous la dénomination I.R.I.S. Group, I.R.I.S. ou le Groupe.

Commentaire sur la cyclicité ou la saisonnalité du chiffre d'affaires

Traditionnellement, I.R.I.S. réalise un chiffre d'affaires, une marge brute et un résultat plus importants au cours du second semestre. La cyclicité et la saisonnalité de l'activité, couplée à des reports de commandes éventuels sur le second semestre ont des impacts sensibles et la projection de résultats à fin d'année ne peut donc se baser sur une analyse des résultats d'un seul semestre. Une telle projection doit notamment être réalisée au vu du carnet de commande (backlog) de la société.

Emission, rachats et remboursements de titres d'emprunt et de capitaux propres

Augmentation de capital

Il n'y a pas eu d'augmentation de capital au cours du 1^{er} semestre 2012

Au 30 juin 2012, le capital de la société s'élève à €38.774.902.

Acquisition d'actions propres

Au cours du 1^{er} semestre 2012, I.R.I.S. Group SA a acquis 25.535 actions propres pour un montant de €761.125 dans le cadre du plan de rachat d'actions propres. Au 30 juin 2012, la société détenait 30.615 actions propres pour une valeur d'acquisition de €837.107.

Notons que les filiales I.R.I.S. S&E SA et I.R.I.S. SA détenaient 18.677 actions I.R.I.S. Group au 30 juin 2012, pour une valeur de €279.677. I.R.I.S. S&E SA a acquis 2.267 actions I.R.I.S. Group au cours de ce semestre pour un montant de €58.924. 2.296 actions d'I.R.I.S. Group ont été cédées dans le cadre du paiement du prix d'acquisition des sociétés acquises pour une valeur équivalente à €62.500.

Dividendes payés au cours de la période

Un solde de €400.896 reste à payer sur les dividendes des exercices antérieurs à 2011.

L'assemblée générale de 2012 statuant sur les comptes 2011 a décidé une distribution d'un dividende total de €1.305.550. Le solde à payer pour ce dividende est de €26.661.

Un montant total de €1.290.064 a été payé au titre de dividendes durant ce 1^{er} semestre 2012. Un solde total de €400.896 reste comptabilisé dans les comptes au 30 juin 2012.

Information sectorielle

Information par secteurs opérationnels

Les risques et les taux de rentabilité sont essentiellement affectés par les différences entre les produits et services offerts. Les entités opérationnelles sont structurées, organisées et gérées séparément en fonction des produits et services offerts, chaque secteur fournissant des produits et services différents et s'adressant à des marchés différents. Le système d'information financière interne rapporte au Conseil d'Administration sur base d'analyses sur les performances et la rentabilité par secteur opérationnel.

Description des secteurs opérationnels

Products & Technologies :

I.R.I.S. Products & Technologies développe des technologies et des logiciels dans le domaine de la Reconnaissance Intelligente de Documents et commercialise son portefeuille de produits à l'échelle mondiale à travers de solides partenariats. Depuis plus de vingt ans, grâce à un investissement croissant en R&D, I.R.I.S. a développé des logiciels à la pointe de l'innovation, tant pour l'utilisateur particulier que professionnel, tous basés sur des technologies propriétaires éprouvées : numérisation à haute vitesse, indexation automatique de documents, reconnaissance Optique de Caractères imprimés (OCR) et manuscrits (ICR), reconnaissance Intelligente de Documents (IDR), reconnaissance de formulaires (forms, free-forms), reconnaissance automatique de factures, classification automatique de documents, hyper compression d'images couleur (iHQC™), génération de tous types de formats de documents (Pdf, pdf/a, xps, .docx, odt, xml, ...), périphériques de numérisation nomades : stylo scanner, card scanner, mobile scanner, ...

I.R.I.S. Products & Technologies commercialise ses solutions logicielles dans le monde entier dans le cadre d'accords de licence (OEM), via les revendeurs à valeur ajoutée (VAR), la distribution informatique et les canaux de vente internet.

Dans ce segment, I.R.I.S. développe des produits logiciels vendus sous la marque I.R.I.S.: Readiris™ Pro, Readiris™ Corporate, Readiris™ Home, IRIS Document™ server, IRIS Powerscan™, IRISCapture™ Pro, IRISCapture™ Pro for Invoices et Cardiris. I.R.I.S. développe aussi des produits à composante hardware tels que IRISPen™ (stylo-scanner), I.R.I.S. Card™ (lecteur de cartes de visites), IRIScan Anywhere™ et IRIScan™ (scanner portable A4 couleur) ou IRISNotes™. I.R.I.S. développe enfin des produits logiciels vendus sous la marque de clients.

Ce segment suit un business model qui se caractérise par :

- des ventes indirectes : les clients d'I.R.I.S. sont des fabricants de scanners, des distributeurs de matériel informatique et des intégrateurs à valeur ajoutée (VAR)
- des ventes internationales : il s'agit d'un marché de niche à l'échelle mondiale
- un marketing axé sur les produits et leurs caractéristiques techniques
- un cycle de vente court (inférieur à trois mois)
- une concurrence forte mais concentrée sur un petit nombre d'acteurs internationaux
- un prix de vente unitaire généralement inférieur à €10.000
- une marge brute élevée qui doit, entre autres, couvrir un effort permanent de R&D sur un cycle court.

Professional Solutions

I.R.I.S. Professional Solutions permet aux sociétés et aux administrations de trouver en une seule compagnie un savoir-faire novateur et des solutions de haute technologie pour gérer efficacement leurs documents, flux d'informations et infrastructures informatiques.

I.R.I.S. fournit des solutions professionnelles de gestion électronique de documents, de leur contenu et de leur cycle de vie à destination du secteur public (institutions européennes, ministères, administrations régionales et locales), du monde financier (banques et assurances), du secteur des services, du monde associatif

(particulièrement les associations professionnelles internationales) et de l'industrie. Ces solutions comprennent le hardware (scanners et serveurs), le software (logiciels spécialisés) et les services (architecture technique, analyse fonctionnelle, développement, installation, formation, support et maintenance).

Les logiciels comprennent des produits édités par I.R.I.S. Products & Technologies et des applications développées au sein d'I.R.I.S. Professional Solutions, mais aussi des produits édités par des tiers. Les matériels comprennent des scanners, des serveurs, des entités de stockage et des accessoires achetés (directement ou indirectement) auprès de fabricants internationaux.

L'expérience de ses consultants, développeurs, documentalistes, chefs de projets et ingénieurs systèmes fait d'I.R.I.S. un partenaire de choix sur chacun de ses marchés domestiques (France, Belgique, Luxembourg et Pays-Bas) et dans le cadre de grands appels d'offre internationaux.

I.R.I.S. occupe aussi une position de leader dans les services et la fourniture de matériels et logiciels pour mettre en œuvre et optimiser les infrastructures IT complexes sur les marchés belge, luxembourgeois et français. Les clients entendent disposer d'une infrastructure (mainframe, open systems et applications) optimisée en fonction de leurs besoins actuels et futurs. C'est par la qualité des architectures proposées et de ses services qu'I.R.I.S. s'est imposé sur ce segment très spécialisé, et entend s'internationaliser davantage.

Ce segment suit un business model qui se caractérise par :

- des ventes directes : les clients d'I.R.I.S. sont des entreprises (secteur privé) et des administrations (secteur public) utilisant les solutions pour compte propre
- des ventes « locales » : la proximité, la réactivité et la disponibilité des techniciens sont des atouts essentiels pour le succès des projets
- un marketing axé sur l'écoute des besoins des clients et les solutions pour y répondre
- un cycle de vente long (supérieur à trois mois)
- une concurrence forte composée de sociétés de service informatique
- un prix de vente unitaire généralement supérieur à €10.000 (et pouvant atteindre plusieurs millions d'euros)
- une marge brute moins élevée étant donné les composantes achetées auprès de tiers.

Chiffres par segments

En €	PROFESSIONAL SOLUTIONS		PRODUCTS & TECHNOLOGIES		non alloué		TOTAL	
	30/06/12	30/06/11	30/06/12	30/06/11	30/06/12	30/06/11	30/06/12	30/06/11
Produits des activités ordinaires provenant des clients externes (Chiffre d'affaires sectoriel)	32.998.281	55.761.100	11.242.655	9.930.048	0	0	44.240.936	65.691.148
Marge Brute sectorielle	20.741.462	21.973.252	8.992.147	7.644.123	0	0	29.733.609	29.617.375
Produits sectoriels	33.658.425	57.475.046	12.334.430	10.242.720	63	0	45.992.918	67.717.766
Résultat opérationnel sectoriel	1.250.419	1.005.054	2.568.854	2.030.931	-1.723.348	-1.156.463	2.095.925	1.879.522
Résultat Financier Net	-51.229	8.371	28.614	-248.602	71.589	-34.084	48.975	-274.315
Résultat des activités ordinaires après résultat financier net (Résultat avant impôts)	1.199.190	1.013.425	2.597.469	1.782.329	-1.651.758	-1.190.547	2.144.900	1.605.207

Le tableau ci-dessous fournit la répartition des actifs et passifs sectoriels :

En €	PROFESSIONAL SOLUTIONS		PRODUCTS & TECHNOLOGIES		non alloué		TOTAL	
	30/06/12	30/06/11	30/06/12	30/06/11	30/06/12	30/06/11	30/06/12	30/06/11
Actifs sectoriels	68.657.083	90.627.788	20.544.290	18.218.775		0	89.201.373	108.846.563
Actifs non alloués		0		0	12.813.921	9.461.922	12.813.921	9.461.922
Total des actifs sectoriels	68.657.083	90.627.788	20.544.290	18.218.775	12.813.921	9.461.922	102.015.294	118.308.485

Passifs sectoriels	25.002.996	39.247.794	5.846.228	6.450.581		0	30.849.224	45.698.375
Passifs non alloués		0		0	71.166.070	72.610.110	71.166.070	72.610.110
Total des passifs sectoriels	25.002.996	39.247.794	5.846.228	6.450.581	71.166.070	72.610.110	102.015.294	118.308.485

Au cours du 1^{er} semestre 2012, les acquisitions d'immobilisés ont été, par secteur, les suivantes:

En € - 30/06/2012	Professional Solutions	Products & Technologies	Non alloué	Total
Immobilisations incorporelles	811.373	504.810	15.890	1.332.073
Immobilisations corporelles	232.545	65.979	2.172	300.696
Acquisition d'actifs sectoriels	1.043.918	570.789	18.062	1.632.769

Au cours du 1^{er} semestre 2011, les acquisitions d'immobilisés ont été, par secteur, les suivantes:

En € - 30/06/2011	Professional Solutions	Products & Technologies	Non alloué	Total
Immobilisations incorporelles	905.309	193.175	850	1.099.334
Immobilisations corporelles	98.314	107.831	20.314	226.460
Acquisition d'actifs sectoriels	1.003.624	301.006	21.164	1.325.794

Commentaires sur les produits et résultats sectoriel.

- Professional solutions réalise un chiffre d'affaires de €33 millions au 30 juin 2012 contre €55,8 millions au 30 juin 2011 (-41%). Cette baisse de chiffre d'affaires s'explique par une vente importante de matériel IT à fin juin 2011 (vente à faible taux de marge).

La marge brute connaît ainsi une baisse moins importante (-5,6%) et s'inscrit à €20,7 millions contre €21,97 millions à fin juin 2011. Le taux de marge brute est de 62,86% du chiffre d'affaires au 30 juin 2012 contre les 39,4% au 30 juin 2011 fortement impactés par des ventes à forte composante matériel mais à faible marge réalisées à fin juin 2011). Les ventes de services et de maintenance sont en croissance quant à elles et expliquent le maintien de la marge brute.

- Products & Technologies réalise un chiffre d'affaires de €11,2 millions au 30 juin 2012 contre €9,9 millions au 30 juin 2011, en hausse de 13,22%. La marge brute est également en hausse (+17,63%) et s'inscrit à €9 millions au 30 juin 2012 pour €7,6 millions au 30 juin 2011. Le taux de marge brute est de 80% du chiffre d'affaires (contre 77% au 30 juin 2011).

Au total, les revenus diminuent mais la marge brute reste stable (+0,39%), ce qui est jugé comme une bonne performance. Les efforts doivent être maintenus pour poursuivre la croissance sur l'ensemble des activités, notamment dans le secteur Professional Solutions. Il est important de signaler que l'activité dans ce secteur est traditionnellement plus élevée au cours du second semestre.

Le résultat opérationnel sectoriel s'établit comme suit :

- €1,25 millions pour Professional Solutions (contre €1 million au 30 juin 2011) en hausse de 24,4%
- €2,6 millions pour Products & Technologies (contre €2 millions au 30 juin 2011) en hausse de 26,49%.

Litiges

Diverses provisions ont ou avaient été constituées pour faire face à certains litiges :

- des provisions pour litiges sociaux qui comprennent différentes provisions portant sur des indemnités de rupture réclamées par d'anciens employés. Certains de ces litiges ont été résolus au cours de 2012 et une provision de €94.093 a été utilisée suite à la résolution de ce litige.

Aucun nouveau litige n'a conduit à la constitution de nouvelles provisions en 2012.

Le montant des provisions pour litiges sociaux subsistant au 30 juin 2012 est de €314.000.

- des provisions pour perte sur commande en-cours sont constituées pour couvrir des dépassements sur quelques projets complexes. Ces provisions sont utilisées lors de la réalisation des projets. Le montant des provisions s'élevait à €133.362 au 31 décembre 2011 et couvrait les prestations qui permettront d'achever ces projets. Cette provision a été utilisée à concurrence de €79.790 au 30 juin 2012. Deux nouvelles provisions ont été constituées pour €17.902 au 30 juin 2012 pour couvrir les légères pertes à terminaison constatées sur 2 projets. Le montant des provisions pour perte à terminaison subsistant au 30 juin 2012 est de €71.474

Evénements importants de l'exercice

Les points suivants constituent des événements importants de l'exercice :

- l'extension des activités auprès des Institutions Européennes par l'acquisition d'un fonds de commerce et d'une équipe d'une vingtaine de consultants. Cette extension d'activité permet à I.R.I.S. d'augmenter la taille de ses équipes et son rôle auprès des institutions de l'Union Européenne. I.R.I.S. était déjà très active au sein des Institutions Internationales en Belgique, au grand-Duché de Luxembourg et dans d'autres pays comme les Pays-Bas, l'Espagne, l'Allemagne et le Royaume-Uni, proposant des compétences techniques et des applications clés dans le domaine de l'Enterprise Content Management, de la capture de documents et la fourniture d'infrastructure IT. Ce développement est en ligne avec la position stratégique d'I.R.I.S. et renforce une activité très importante pour I.R.I.S. Cela contribue positivement sur le résultat d'exploitation de 2012.
- L'approbation par le conseil d'administration du 21 mars 2012 d'un programme de rachat d'actions propres dont les caractéristiques sont les suivantes :
 - L'objectif du plan est de réduire le nombre d'actions en circulation afin d'augmenter par voie de conséquence la rémunération des actionnaires, et à titre subsidiaire de disposer d'actions dans le cadre des plans de stock option
 - Le programme est approuvé pour une période allant du 23 mars 2012 au 8 octobre 2014 et un nombre maximum de 150.000 actions d'I.R.I.S. Group SA, ou un montant maximum de €4.500.000
 - Les actions acquises au cours d'une séance ne dépasseront pas 25% du volume de transactions quotidien moyen portant sur l'action à Euronext Bruxelles pendant les 20 séances précédant la date de chaque rachat.
 - Cadre réglementaire : le programme sera mis en œuvre conformément aux articles 205 à 208 de l'arrêté royal du 30 janvier 2001 portant exécution du code des sociétés, et à l'arrêté royal du 5 mars 2006 relatif aux abus de marché ainsi qu'au Règlement (CE) 2273/2003 du 22 décembre 2003 (en ce qui concerne les dérogations prévues pour les programmes de rachat d'actions).

Evénements significatifs après la clôture

Il n'y a pas d'évènement significatif particulier à signaler.

Evaluation et calcul

Impairment tests

Les goodwill sur acquisitions font l'objet à chaque date de clôture d'exercice de tests de dépréciation annuels. Ces tests intègrent les résultats réalisés, les prévisions de résultats et les perspectives à moyen terme.

Lorsqu'il existe un quelconque indice qu'un actif a pu se déprécier, l'entreprise réalise à ce moment-là de nouveaux tests de dépréciation pour estimer la valeur recouvrable de l'actif.

A la date de clôture de l'exercice 2011, les tests n'ont pas révélé de perte de valeur pour ces actifs. A la fin juin 2012, il a été procédé à la revue et à la documentation des indicateurs d'impairment conformément à IAS 36, par. 12. Cette revue permet de conclure qu'aucune perte de valeur ne doit être constatée sur ces actifs. Une attention particulière a été portée sur les performances de l'activité ECM FBI. Cette activité réalise des résultats à fin juin 2012 en phase avec le plan d'affaires sur lequel se base les tests de dépréciation et aucune perte de valeur n'est à constater à cette date sur la valeur des actifs de cette activité.

Paiement basé sur les actions

Stock option plan horizon 2009

Un stock option plan a été attribué en avril 2005, portant sur 12.500 options (et autant d'actions en cas d'exercice). Le coût des services rendus ou à venir a été comptabilisé à la juste valeur des instruments de capitaux propres acquis.

L'évaluation est fondée sur le modèle de Black & Scholes. Les variables utilisées sont les suivantes :

- Taux sans risque : OLO 5 ans
- Volatilité : 30%
- Fair market value : cours de l'action au 31/5/2005 augmenté d'un montant pour tenir compte des dividendes distribués sur la période de vie de l'option
- Time delay = nombre de jour de vie de l'option : 31/5/2005 – 31/12/2014
- Prix d'exercice correspondant au cours moyen de l'action au cours des 30 jours précédant l'attribution du plan.

Sur base des précédents plans de stock option, le pourcentage des options qui ne seront pas exercées (suite à perte de droits ou suite aux départs des employés) a été estimé et appliqué.

Certaines options sous soumises à une condition de stabilité d'emploi et le coût des services à venir est réparti sur la durée d'emploi conditionnelle à l'octroi des options.

Ce stock option plan s'achèvera le 31 décembre 2014.

Stock option plan horizon 2011

En février 2007, le Conseil d'administration a décidé d'émettre 30.500 options sur actions, essentiellement en faveur d'administrateurs exécutifs et de prestataires de service réguliers des sociétés du groupe I.R.I.S. donnant chacune droit, en cas d'exercice, à l'acquisition d'une action existante de la société. En conséquence, conformément aux conditions d'émission du stock option plan, ces 30.500 options donneront le droit aux bénéficiaires de ces options d'acheter, à l'occasion de l'exercice de ces options, un nombre maximum de 30.500 actions ordinaires représentatives du capital de la société. Chaque action acquise suite à l'exercice d'une option donnera droit aux dividendes mis en paiement au titre de l'exercice comptable pendant lequel l'option a été exercée.

En février 2007, le conseil d'administration a décidé d'émettre 21.500 warrants donnant chacun droit, en cas d'exercice, à la souscription d'une action de la société. En conséquence, conformément aux conditions d'émission du stock option plan, les 21.500 warrants donneront le droit aux bénéficiaires de ces warrants de souscrire, par le biais de l'exercice des warrants, à un maximum de 21.500 actions ordinaires représentatives du capital de la société. Chaque action acquise suite à l'exercice d'un warrant donnera droit aux dividendes mis en paiement au titre de l'exercice comptable pendant lequel le Warrant a été exercé. La société fera le nécessaire pour obtenir l'inscription à la cotation des actions acquises suite à l'exercice de warrants. L'émission des warrants dans le cadre du capital autorisé a lieu avec suppression du droit de préférence des actionnaires actuels afin de bénéficier à titre principal aux membres du personnel, d'administrateurs exécutifs et de sous-traitants réguliers.

Le coût des services rendus ou à venir a été comptabilisé à la juste valeur des instruments de capitaux propres en question.

L'évaluation est fondée sur le modèle de Black & Scholes. Les variables utilisées sont les suivantes :

- Taux sans risque : taux LIBOR ou zero-coupon sur la période résiduelle
- Volatilité : 30,86%
- Fair market value : cours de l'action au 22/02/2007
- Time delay = nombre de jour de vie de l'option : 22/02/2007 – 31/12/2017
- Rendement annuel (dividende) : 1%
- Prix d'exercice correspondant au cours moyen de l'action au cours des 30 jours précédant l'attribution du plan.

Sur base des précédents plans stock option, le pourcentage des options qui ne seront pas exercées (suite à perte de droits ou suite aux départs des employés) a été estimé et appliqué.

Une partie des warrants et options sont de type « conditionnel », leur exercice étant conditionné à l'atteinte d'objectifs de performance et de rentabilité. Un pourcentage de 75% est appliqué pour tenir compte des probabilités d'atteintes des objectifs fixés dans le calcul de la juste valeur.

Ces options et warrants sont de plus soumis à une condition de stabilité d'emploi et le coût des services à venir est donc réparti sur la durée d'emploi conditionnelle à l'octroi des options ou warrants.

Le Conseil d'Administration du 17 Avril 2009 a approuvé la prolongation de la période d'exercice pour une période de 5 ans, dans les limites prévues par la Loi.

Les Warrants pourront être exercés, avant le 31 décembre 2017, entre le 1er avril et le 15 avril, entre le 1er juillet et le 31 juillet et entre le 1er novembre et le 15 novembre. Tous les Warrants non encore exercés pourront être exercés entre le 20ième et le 5ième jour précédant le 31 décembre 2017.

Dans tous les cas, les Warrants qui n'auront pas été exercés le 31 décembre 2017 deviendront sans effet juridique et ne pourront donc plus être exercés après cette date.

Le plan a été revalorisé en date du 17/4/2009 en utilisant les variables à cette date :

- Taux sans risque : taux LIBOR ou zero-coupon sur la période résiduelle
- Volatilité : 30,86%
- Fair market value : cours de l'action au 17/4/2009
- Time delay = nombre de jour de vie de l'option : 17/4/2009 – 31/12/2017
- Rendement annuel (dividende) : 1%
- Prix d'exercice correspondant au cours moyen de l'action au cours des 30 jours précédant l'attribution du plan.

Un coût de €27.243 a été comptabilisé en charge au 30/06/2012 pour ce plan de stock options et un montant correspondant a été enregistré en contrepartie dans les capitaux propres – Paiement basé sur des actions.

Stock option plan horizon 2015

Le conseil d'administration a décidé d'émettre 35.000 warrants donnant chacun droit, en cas d'exercice, à la souscription d'une action de la société. En conséquence, conformément aux conditions d'émission du stock option plan, les 35.000 warrants donneront le droit aux bénéficiaires de ces warrants de souscrire, par le biais de l'exercice des warrants, à un maximum de 35.000 actions ordinaires représentatives du capital de la société. Chaque action acquise suite à l'exercice d'un warrant donnera droit aux dividendes mis en paiement au titre de l'exercice comptable pendant lequel le Warrant a été exercé. La société fera le nécessaire pour obtenir l'inscription à la cotation des actions acquises suite à l'exercice de warrants. L'émission des warrants dans le cadre du capital autorisé a lieu avec suppression du droit de préférence des actionnaires actuels afin de bénéficier à titre principal aux membres du personnel, d'administrateurs exécutifs et de sous-traitants réguliers. L'offre a été acceptée à concurrence de 31.000 warrants.

Au 31 décembre 2011, 31.000 warrants étaient donc émis dans le cadre de ce plan. Leur prix d'exercice est de €36,23/action.

Ces options et warrants seront exerçables pendant chaque mois de juillet et chaque première quinzaine de novembre à partir de juillet 2015 jusqu'au 15 novembre 2020 et à condition d'être lié, de manière ininterrompue depuis l'attribution des warrants ou options, par un contrat de travail ou un autre contrat de prestation de services avec la Société ou une filiale au moment de l'exercice.

Le coût des services rendus ou à venir a été comptabilisé à la juste valeur des instruments de capitaux propres en question.

L'évaluation est fondée sur le modèle de Black & Scholes. Les variables utilisées sont les suivantes :

- Taux sans risque : taux LIBOR ou zero-coupon sur la période résiduelle
- Volatilité : 30,86%
- Fair market value : cours de l'action au 18/09/2011
- Time delay = nombre de jour de vie de l'option : 18/09/2011 – 15/11/2020
- Rendement annuel (dividende) : 1%
- Prix d'exercice correspondant au cours moyen de l'action au cours des 30 jours précédant l'attribution du plan.

Sur base des précédents plans de stock option, le pourcentage des options qui ne seront pas exercées (suite à perte de droits ou suite aux départs des employés) a été estimé et appliqué.

Ces options et warrants sont de plus soumis à une condition de stabilité d'emploi durant la période d'exercice et le coût des services à venir est donc réparti sur la durée d'emploi conditionnelle à l'octroi des options ou warrants.

Un coût de €27.549 a été comptabilisé en charge au 30/06/2012 pour ce plan de stock options et un montant correspondant a été enregistré en contrepartie dans les capitaux propres – Paiement basé sur des actions.

Au total un coût de €54.792 a été comptabilisé en charge au 30 juin 2012 pour les différents plans, pour €27.243 au 30 juin 2011, et un montant correspondant a été enregistré en contrepartie dans les capitaux propres – Paiement basé sur des actions.

Il n'y a eu ni annulation ni modification de ces plans au cours de l'exercice.

Position de trésorerie

Au 30 juin 2012, la trésorerie nette (trésorerie et équivalents de trésorerie – dettes financières court terme) s'élève à €12.227.321 pour €9.812.457 à fin juin 2011 et €13.219.871 à fin 2011.

Au cours du premier semestre 2012, les flux de trésorerie provenant de l'exploitation s'élèvent à €3.563.952.

Les flux de trésorerie provenant des activités de financement sont de €-2.869.036. I.R.I.S. Group a notamment consommé €1.290.064 de cash-flow disponible pour le paiement de dividende et €752.198 en remboursement des différents crédits d'investissement conclus pour le financement des différentes acquisitions et investissements.

Les flux de trésorerie provenant des activités d'investissement sont de €-1.632.769 pour le financement d'investissements en matériels, en logiciels propriétaires et externes logiciels et en aménagements ainsi que pour l'extension de ses activités auprès des Institutions Internationales.

Le montant de la trésorerie et des équivalents de trésorerie sont de €13.699.766 au 30 juin 2012 pour €11.471.346 à fin juin 2011.

Acquisitions d'immobilisés

Au 1^{er} semestre 2012, I.R.I.S. a investi pour €1.632.769 incluant un montant de €390.000 investis dans l'extension des activités « Institutions et Organisations Internationales. Les autres dépenses d'investissement consistent en du matériel informatique, en quelques agencements des bâtiments et en acquisition ou développement de logiciels indispensables pour le développement du groupe ou le développement de nouveaux produits. Les dépenses de développements internes ou de production immobilisée s'élèvent ainsi à €882.062 sur le 1^{er} semestre 2012.

Au 1^{er} semestre 2011, les investissements en immobilisés s'élevaient à €1.325.794.

En €	30/06/2012	30/06/2011	30/06/2010
Logiciels	1.332.073	1.099.334	735.378
Mobilier et Matériel roulant	0	63.208	-3.386
Bâtiment (agencements)	170.583	77.967	46.416
Matériel informatique et matériel de bureau	130.113	85.284	146.946
Total	1.632.769	1.325.794	925.354

Analyse des créances commerciales en termes d'ancienneté.

Le tableau ci-dessous classe les montants des créances commerciales ouvertes à la date du 30/06/2012 selon leur ancienneté :

ECHEANCE	Echu depuis plus de 90 jours	Echu depuis 60 à 90 jours	Echu depuis 30 à 60 jours	Echu depuis moins de 30 jours	Non échu	TOTAL
Montants en €	3.075.595	454.843	1.021.875	3.652.458	21.700.422	29.905.194
Pourcentage du total	10,28%	1,52%	3,42%	12,21%	72,56%	100,00%

La situation au 30/06/2011 se présentait de la manière suivante :

ECHEANCE	Echu depuis plus de 90	Echu depuis 60 à	Echu depuis 30 à 60 jours	Echu depuis moins de 30	Non échu	TOTAL
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	jours	90 jours		jours		
Montants en €	6.419.890	811.886	2.046.484	3.473.566	37.754.991	50.506.817
Pourcentage du total	12,71%	1,61%	4,05%	6,88%	74,75%	100,00%

La situation au 30/06/2010 se présentait de la manière suivante :

ECHEANCE	Echu depuis plus de 90 jours	Echu depuis 60 à 90 jours	Echu depuis 30 à 60 jours	Echu depuis moins de 30 jours	Non échu	TOTAL
Montants en €	3.153.074	1.102.468	1.847.822	7.206.275	19.796.827	33.106.466
Pourcentage du total	9,52%	3,33%	5,58%	21,77%	59,80%	100,00%

La majorité du montant des créances commerciales ouvertes à la date de clôture sont non échues à la date de clôture (72,56% en 2012, 74,75% en 2011, 59,80% en 2010). Il s'agit essentiellement des factures à établir (prestations et livraisons réalisées à fin juin et à facturer début juillet) ou de la facturation de fin juin dont les échéances ne sont pas atteintes.

Pour le reste, au 30 juin 2012, 12,21% des créances sont venues à échéance dans les 30 jours précédents la date de clôture (6,88% au 30 juin 2011 et 21,77% en 2010), 3,42% sont venues à échéance depuis 30 à 60 jours (4,05% en 2011 et 5,58% en 2010), 1,52% depuis 60 à 90 jours (1,61% en 2011 et 3,33% en 2010) et 10,28% (12,71% en 2011 et 9,52% en 2010) sont échues depuis plus de 90 jours. Il est à noter que de nombreuses créances ouvertes à plus de 90 jours ont été payées peu après le 30 juin 2012. Les autres créances à plus de 90 jours sont essentiellement des créances auprès d'institutions publiques où les procédures de paiement sont plus longues mais où le risque financier est plus faible.

En comparaison, le tableau ci-dessous classe également les montants des créances commerciales ouvertes à la date du 31/12/2011 selon leur ancienneté :

ECHEANCE	Echu depuis plus de 90 jours	Echu depuis 60 à 90 jours	Echu depuis 30 à 60 jours	Echu depuis moins de 30 jours	Non échu	TOTAL
Montants en €	2.150.495	1.289.114	1.856.393	6.872.105	27.660.071	39.828.178
Pourcentage du total	5,40%	3,24%	4,66%	17,25%	69,45%	100,00%

La grande majorité du montant des créances commerciales ouvertes au 31/12/2011 était non échue à la date de clôture (69,45% du total), 17,25% des créances étaient venues à échéance dans les 30 jours précédant le 31/12/2011, 4,66% étaient échus depuis 30 à 60 jours, 3,24% depuis 60 à 90 jours et 5,40% depuis plus de 90 jours.

Le délai de paiement des créances commerciales correspond à 123 jours de chiffres d'affaires au 30 juin 2012 contre 140 jours de chiffres d'affaires au 30 juin 2011 et 120 jours au 31 décembre 2011.

Une analyse détaillée de l'antériorité des créances confirme la qualité de nos clients, des créances de l'ensemble du groupe I.R.I.S. et l'efficacité des procédures de recouvrement.

Informations hors bilan

Stock option plans

I.R.I.S. Group a émis en mai 2005 des options sur actions en faveur de 4 membres du personnel ou sous-traitants réguliers du groupe (Stock Option Plan Horizon 2009). Au 30 juin 2012, étaient encore exerçables: 3.500 warrants au prix de €25,11/action.

I.R.I.S. Group a émis en février 2007 des options sur actions en faveur du personnel, d'administrateurs et de sous-traitants réguliers du groupe (Stock Option Plan Horizon 2011). 30.500 options et 21.500 warrants étaient ainsi émises en 2007.

Suite à des départs survenus pendant les exercices 2008 à 2011, il a été renoncé à 7.000 options et 6.666 warrants. Au cours du premier semestre 2012, il a été renoncé à 1.333 warrants.

Au 30 juin 2012, sont émises 23.500 options et 13.501 warrants.

Leur prix d'exercice est de €42,18/action. Ces options et warrants seront exerçables :

- à concurrence d'un tiers du total de Warrants attribués au Bénéficiaire, à partir du 1^{er} mars 2010,
- à concurrence d'un tiers supplémentaire à partir du 1^{er} mars 2011
- à concurrence du dernier tiers à partir du 1^{er} mars 2012
- au plus tard le 31 décembre 2017, le plan de stock options ayant été prolongé de 5 ans conformément aux limites prévues par la loi,

et à condition d'être liés, de manière ininterrompue depuis l'attribution des warrants ou options, par un contrat de travail, un mandat ou un autre contrat de prestation de services avec la Société ou une filiale au moment de l'exercice.

I.R.I.S. Group a émis en septembre 2011 31.000 options et warrants sur actions en faveur de membres du personnel, d'administrateurs exécutifs et de sous-traitants réguliers. Leur prix d'exercice est de €36,23/action.

Suite à des départs survenus au cours du 1^{er} semestre 2012, il a été renoncé à 1.000 warrants. Au 30 juin 2012, sont émis 30.000 options ou warrants pour ce plan horizon 2015.

Ces options et warrants seront exerçables pendant chaque mois de juillet et chaque première quinzaine de novembre à partir de juillet 2015 jusqu'au 15 novembre 2020 et à condition d'être lié, de manière ininterrompue depuis l'attribution des warrants ou options, par un contrat de travail ou un autre contrat de prestation de services avec la Société ou une filiale au moment de l'exercice.

Garanties auprès de tiers

Dans le cadre de certains contrats avec ses clients ou de contrats de financement fournisseurs, I.R.I.S. a émis des lettres de garanties bancaires à concurrence de €1.261.909.

Pour le reste, les sociétés I.R.I.S. Group, I.R.I.S. SA, I.R.I.S. Solutions and Experts SA, I.R.I.S. ICT sont cautions solidaires pour les crédits d'investissement contractés pour l'acquisition des différents bâtiments, des crédits d'investissement contractés pour le financement des différents investissements réalisés en 2008 et 2009, dont les montants restant dus sont repris en dettes au bilan pour un montant total de €2.949.988 au 30/06/2012, et pour les lignes de crédit dont elles disposent et inutilisées au 30/06/2012.

Dans le cadre des facilités de crédit, I.R.I.S. a comme engagement de ne pas conférer de sûretés en faveur des tiers sans l'accord des différentes banques concernées, de conserver un ratio de solvabilité inférieur à 1 et un ratio de liquidité inférieur à 0,7.

Informations relatives aux parties liées

Organigramme au 30 juin – Relations entre les sociétés du groupe

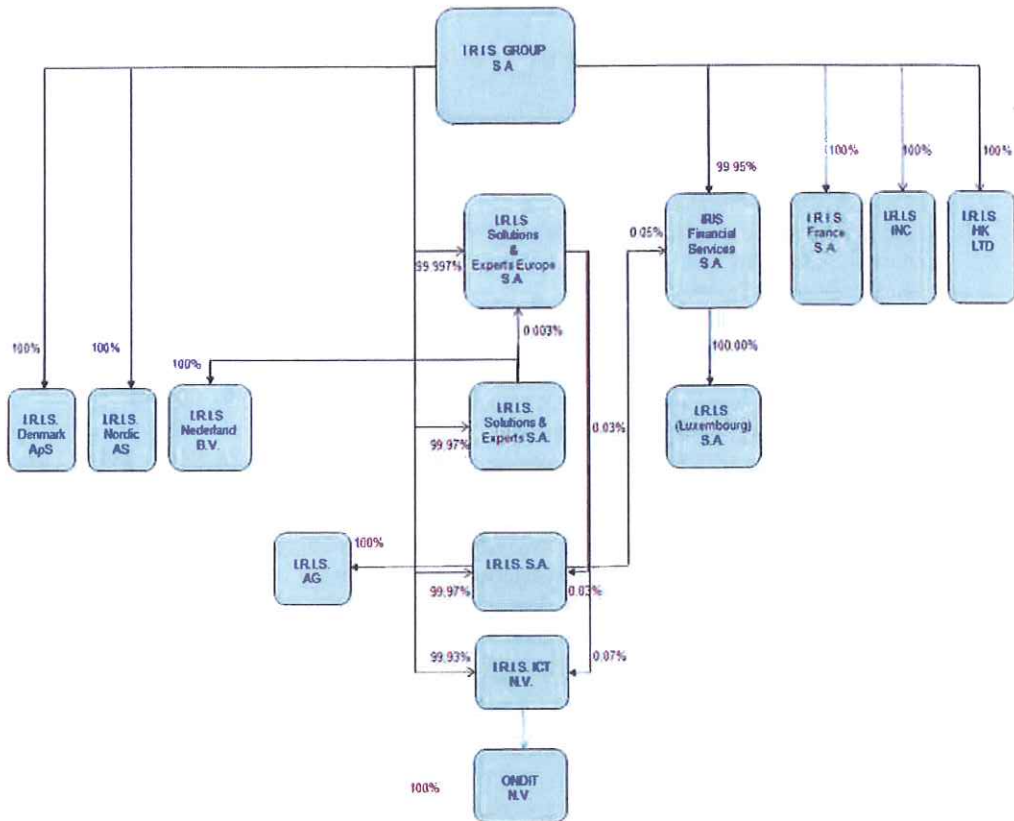
Image Recognition Integrated Systems Group S.A. (en abrégé I.R.I.S. GROUP)
Parc Scientifique de Louvain-la-Neuve, Rue du Bosquet 10, B-1435 Mont St Guibert, Belgique, numéro national
BE-448.040.624

détient directement ou indirectement (par le biais de ses filiales) 100% des sociétés suivantes :

- Image Recognition Integrated Systems S.A. (en abrégé I.R.I.S. SA)
Parc Scientifique de Louvain-la-Neuve, Rue du Bosquet 10, 1435 Mont St Guibert, Belgique, numéro
national BE0430.824.708
- I.R.I.S. Solutions & Experts S.A.
Parc Scientifique de Louvain-la-Neuve, Rue du Bosquet 10, 1435 Mont St Guibert, Belgique, numéro
national BE0882.094.937
- I.R.I.S. Solutions & Experts Europe S.A.
Parc Scientifique de Louvain-la-Neuve, Rue du Bosquet 10, 1435 Mont St Guibert, Belgique, numéro
national BE0457.859.992
- I.R.I.S. France S.A.
64-68 Avenue de la Victoire, 94 310 ORLY, France, numéro de TVA FR-46.392.588.273
- Image Recognition Integrated Systems Inc. (en abrégé I.R.I.S.Inc.)
Delray Office Plaza, 4731 West Atlantic Avenue, Suite B1 & B2, Delray Beach, Florida 33445, Etats-Unis
d'Amérique
- I.R.I.S. Financial Services S.A. (en abrégé I.R.I.S. PSF)
Route des 3 Cantons 11, 8399 Windhof, Grand-Duché de Luxembourg, numéro de TVA LU 155.333.28
- Image Recognition Integrated Systems Luxembourg S.A. (en abrégé I.R.I.S. Luxembourg)
Route des 3 Cantons 11, 8399 Windhof, Grand-Duché de Luxembourg, numéro de TVA LU 19.619.943
- I.R.I.S. ICT N.V.
Mechelsesteenweg 542, 1800 Vilvoorde, Belgique, numéro national BE0449.223.727.
- I.R.I.S. Nederland B.V.
Kruisstraat 1, 6231 LJ Meerssen, The Netherlands, Registry of Commerce and Companies of Zuid-Limburg n°
14067802, VAT number NL 809344348B01
- I.R.I.S. AG
Heussstraße 23, 52078 Aachen, Allemagne, registre du commerce (Amtsgericht) de Aachen numéro HRB
8275,
- Image Recognition Integrated Systems (I.R.I.S.) HK Ltd
Room 813, 8/F, Hollywood Plaza, 610 Nathan Road, Kowloon Hong Kong, Registre des sociétés de Hong
Kong numéro 1204748
- I.R.I.S. Nordic AS
Lysaker Torg 12, PO Box 190, 1325 Lysaker, Norway, Organisasjonsnummer 992 930 934
- I.R.I.S. ONDIT N.V.
Sint Jobssesteenweg 102, 2930 Brasschaat, Belgique, numéro national BE 0897.474.187
- I.R.I.S. Denmark Aps
Frederiksborggade 15, 6., 1360 København, CVR-nr. 33 04 24 85, société créée le 24 juin 2010 et entrée
dans le périmètre de consolidation à partir de cette date.

Organigramme au 30/06/2012:

Denmark	Norway	The Netherlands	Germany	Belgium	Luxembourg	France	USA	Hong Kong
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L'ensemble des états financiers de ces sociétés sont intégrés dans les états financiers consolidés de Image Recognition Integrated Systems Group S.A., société mère, entreprise consolidante.

L'ensemble des sociétés du groupe entretient ou peut entretenir des relations avec les autres entités:

- relations « client-fournisseur » dans le cadre d'échanges de services (emprunts ou prêts de ressources pour l'exécution de projets) ou de fournitures de produits groupe dans le cadre de la vente ou la distribution des produits I.R.I.S. par les autres filiales du groupe
- relations « prêteur-emprunteur » quand une société a un besoin de trésorerie lorsqu'une autre société est en surplus. Le but est d'optimiser la trésorerie sur l'ensemble du groupe.

Les transactions et soldes entre parties liées intra-groupe sont éliminés lors de la préparation des états financiers consolidés du groupe.

Transaction avec d'autres parties liées

I.R.I.S. Group S.A. est en relation d'affaires avec d'autres parties liées dans le cadre de la location de l'immeuble d'Orly, siège d' I.R.I.S. France, qui appartient à une société ayant 2 administrateurs en commun avec I.R.I.S. Group. Les transactions avec ces entreprises sont conclues à des conditions normales de marché. Conclure des transactions qui ne sont pas à des taux ou conditions de marché serait contraire à la politique

d'I.R.I.S. Group. Ces locations immobilières ont représenté un montant de €110.274 de loyers pour le siège d'exploitation français sur le 1^{er} semestre 2012 pour €108.112 durant le 1^{er} semestre 2011.

Rémunération des principaux dirigeants du Groupe

Rémunérations et avantages à court terme

Les administrateurs ont perçu €221.882 sur le premier semestre 2012 pour €256.604 sur le premier semestre 2011, au titre de rémunération et avantages à court terme.

Paiements en actions

Au 30 juin 2012, 17.000 options (6.000 inconditionnelles, 11.000 conditionnelles) sont détenus par les principaux dirigeants. Aucun paiement en actions envers les principaux dirigeants du groupe n'a eu lieu au cours de 2011 et 2012.

Analyse et gestion des risques et incertitudes

Comme toute société qui évolue dans un marché compétitif, I.R.I.S. fait face à des risques généraux de marché.

En particulier:

- La faible croissance économique dans nos marchés domestiques: I.R.I.S. réalise l'essentiel de son chiffre d'affaires sur le territoire européen et aux USA,
- La concurrence croissante : le mûrissement du marché entraîne une concentration du secteur autour de quelques acteurs dominants, dont I.R.I.S., et un durcissement de la concurrence sur le plan international,
- L'évolution de la technologie : l'évolution des produits et des services est un souci constant, afin de rester à la pointe de la connaissance et des attentes des clients les plus exigeants.

En matière de propriété intellectuelle, la présence et la croissance d'I.R.I.S. sur le marché américain en font une cible potentielle d'attaques par des sociétés spécialisées dans le dépôt de brevets très généraux et souvent non valables. Le but de ces sociétés est généralement d'obtenir une transaction amiable évitant à l'entreprise attaquée d'exposer des frais de défense bien plus élevés. D'autre part, la politique d'I.R.I.S. est de ne pas déposer systématiquement de brevets pour les avancées technologiques réalisées, pour éviter de rendre publics l'ensemble des secrets de réalisation alors même qu'il serait extrêmement compliqué et coûteux de démontrer la contrefaçon en matière de propriété intellectuelle pour un logiciel informatique. Le nombre de dépôts de brevets est cependant en augmentation depuis ces 3 dernières années.

Les engagements contractuels tels la vente de projets au forfait peuvent éventuellement mener à des dépassements entraînant une perte financière pour le Groupe.

En matière financière, la société n'a pas utilisé d'instruments financiers pour couvrir les risques inhérents aux activités.

Risque de change

La présence d'I.R.I.S. Group aux Etats-Unis et les relations commerciales (ventes ou approvisionnements) avec les pays asiatiques ou à l'international font exister un risque de change en dollar américain.

Certains écarts de conversion naissent d'opérations purement comptables (conversion des filiales étrangères, élimination des soldes inter-compagnies et des opérations réciproques en devises) et ne concernent pas des gains ou pertes réalisés. Il a très peu de marge de manœuvre pour les écarts de conversion de ce type. C'est pourquoi I.R.I.S. Group met en paiement régulièrement les soldes intra-groupes en devises afin de minimiser les écarts de conversion.

Pour les opérations « réalisées » (transactions de vente ou d'achat et paiement en dollar), nous tentons de réduire au maximum le risque de change :

- en équilibrant nos volumes de vente et d'achat en dollar
- en prenant une position bilantaire de couverture en dollar (emprunt ou placement en dollar contre respectivement placement ou emprunt en euro) lorsque nécessaire
- en suivant régulièrement l'évolution du dollar et les prévisions financières, dans le but de réaliser nos positions en dollar au taux le plus favorable
- au moyen d'opérations de couverture, si nécessaire.

En matière de risque de change, le risque lié à l'exposition croissante au dollar américain ne peut être totalement couvert.

Risque de taux d'intérêt

En matière de risque de taux d'intérêt : vu le niveau d'endettement, ce risque est faible. Les crédits d'investissement sont soit à taux variable convertible à taux fixe soit à des taux fixes favorables. Les conditions de marge et de coûts fixes pour les facilités de crédit ont été négociées aux meilleures conditions.

Risque de crédit

En matière de risque de crédit, le Groupe peut être exposé à un risque de contrepartie lié aux :

- Activités opérationnelles :

Les ventes au grand public sont réalisées par le biais de notre site internet et payées anticipativement par carte de crédit, les ventes aux distributeurs agréés sont réalisées en prépaiement ou avec un délai de paiement correspondant à un historique de relations commerciales, et des limites de crédit sont mises en place pour réduire le risque. Par contre, il faut noter que certains distributeurs bénéficient d'une garantie de retour ou de reprise des produits par I.R.I.S. Quant aux ventes aux entreprises et administrations, la diversité, la taille et la qualité des clients (banque, assurances, distribution, industrie, administrations et secteur public, organisations internationales) diversifient le risque de perte même si les délais de paiement peuvent être assez longs. La majorité des clients sont des grands comptes, de renommée et pour lesquels le risque crédit est faible.

I.R.I.S. apporte depuis toujours une attention particulière au risque de crédit et au risque de contrepartie. Le groupe a mis en place des procédures de suivi et de gestion du risque client et des procédures de paiements et de recouvrement adaptées aux spécificités des contreparties (entreprises privées, entreprises publiques, organisations internationales, particuliers). La période de crise a intensifié les efforts permanents que nous menons dans la gestion de ce risque et au suivi des créances clients.

- Activités de placement :

I.R.I.S. n'entend pas prendre de risques en matière de placements de trésorerie : l'ensemble des placements est effectué en produits garantissant le capital à 100% et rémunérant un intérêt garanti minimum. Le groupe a également comme politique de diversifier ses placements auprès de différents partenaires financiers. L'apparition au quatrième trimestre 2008 de la crise de liquidité des banques et du risque de défaillance de certaines a conforté le groupe dans sa politique très prudente. L'ensemble des placements consiste à fin juin 2012 en des placements à court terme sûrs et très liquides. Le groupe intensifie également sa politique de gestion de trésorerie centralisée.

Risque de liquidité

La position de trésorerie nette est excédentaire et la volonté de la société est de maintenir un niveau de trésorerie et des facilités de crédit non résiliables, permettant de faire face à un manque de rentrées correspondant à quelques mois d'activité. Le groupe dispose donc de facilités de crédit largement adaptées à sa taille, à ses besoins et aux échéances auxquelles il aurait à faire face. C'est également dans cette optique que le groupe a contracté de nouveaux crédits d'investissement à taux fixe pour financer ou refinancer ses investissements et acquisitions et maintenir un niveau important de réserve de trésorerie. La politique de financement s'appuie également sur les principes de gestion centralisée au sein de la maison-mère et de diversification des financements auprès des différents partenaires financiers.

6. Rapport du commissaire aux actionnaires de I.R.I.S. Group SA sur la revue limitée des états financiers intermédiaires résumés et consolidés pour le semestre clos le 30 juin 2012

Introduction

Nous avons procédé à la revue limitée du bilan intermédiaire résumé et consolidé de I.R.I.S. Group SA (la "Société") arrêté au 30 juin 2012, ainsi que du compte de résultats intermédiaire, résumé et consolidé, de l'état des variations des capitaux propres, et du tableau de flux de trésorerie y afférent pour le semestre clos le 30 juin 2012 ainsi que des notes explicatives. La préparation et la présentation des états financiers intermédiaires résumés et consolidés conformément à l'International Financial Reporting Standard *IAS 34 Information Financière Intermédiaire* ("IAS 34") approuvé par l'Union Européenne relèvent de la responsabilité de l'organe de gestion de la société. Notre responsabilité consiste à émettre un rapport sur ces états financiers intermédiaires résumés et consolidés, basé sur notre revue limitée.

Etendue de notre revue

Nous avons effectué notre revue limitée conformément à la recommandation de l'Institut des Réviseurs d'Entreprises relative aux revues limitées. Une revue limitée de l'information financière intermédiaire comprend la réalisation d'entretiens, essentiellement avec le personnel de la société responsable des matières financières et comptables, l'application de revues analytiques ainsi que d'autres travaux. L'étendue de ces travaux est largement moins importante que celle d'un audit réalisé conformément aux normes de révision de l'Institut des Réviseurs d'Entreprises. Une revue limitée fournit donc moins d'assurance de découvrir tous les éléments importants qui seraient révélés par un contrôle plénier. Par conséquent, nous nous abstenons d'exprimer une opinion d'audit.

Conclusion

Sur la base de notre revue limitée, aucun élément n'a été révélé qui impliquerait que les états financiers intermédiaires résumés et consolidés ci-joints ne sont pas présentés, à tous les égards importants, conformément à l'IAS 34, approuvé par l'Union Européenne.

Liège, le 23 août 2012

Ernst & Young Réviseurs d'Entreprises SCRL
Commissaire
représentée par

Marie-Laure Moreau
Associée

To be released on February 5 at 17:45
Regulated information

FY2012 trend

Stable Gross Margin - Slight increase of EBITDA

Louvain-la-Neuve, February 5, 2013

Ahead of its IRISLink 2013, a convention hosting more than 800 visitors from 45 countries, I.R.I.S. is announcing the trends of its 2012 results. During this event I.R.I.S. will present success stories and customers' business cases and will introduce new products and solutions. Separate press releases, pictures and videos of the IRISLink 2013 will be available on www.iriscorporate.com/irislink2013.

Denis Hermesse, CFO: "A number of growth initiatives have been successful in 2012: Some example are (i) our partner business with Value Added Resellers (VAR) and Business Process Outsourcers (BPO) (up 12% YoY); (ii) our business with Canon (up 15% YoY) and (iii) a positive development of the sales of corporate solutions in the USA. These successes have offset some negative trends in other markets such as the hardware sales. The preliminary unaudited numbers are as follows:

- The FY2012 gross margin (the most appropriate business performance indicator) is estimated at € 61.4 million, stable compared to 2012.
- Due to a decrease in the hardware business the consolidated revenue is circa € 100 million.
- The consolidated EBITDA for FY2012 will be approx. € 7.5 million and the EBIT approx. € 4.7 million (impacted by unbudgeted and one-off legal costs of € 0.4 million including the costs related to the Canon tender offer).
- The average monthly net cash position (being the cash available less the short term financial debts) was € 12.5 million in 2012 compared to 9.8 million in 2011. At December 31, 2012, the net cash position was € 19.3 million due to positive (and one-off) working capital optimization.

The full financial statements will be released after audit completion on 21 March, 2013."

Dr. Pierre De Muelenaere, President & CEO comments: "We are happy to see that some of our growth strategies are developing as expected, thanks to appropriate investments and despite an economic background that remains difficult. During our IRISLINK 2013 event, we will unveil a number of new products and new solutions.

The technological world is changing fast. Our goal is to offer a strong portfolio of innovative solutions and complementary services that also cover mobile platforms and cloud solutions, in a lot of different areas (OCR, Invoices, Mailroom, Business Process Optimization, Managed Operations, etc.). These solutions generate significant business benefits for our partners and clients, including in vertical markets where we have developed some unique expertise.

I.R.I.S.' objective remains to increase significantly its international footprint in the coming years. This requires continuous investment to support our growth opportunities. We have therefore budgeted sustained investments in operating expenses for 2013 and plan on some moderate EBIT increase as the economic background remains very unstable."

Financial calendar and financial information

Publication of the full financials for 2011: 21 March, 2013
Annual General Meeting: 21 May 2013 at 9 a.m.
Annual report: last week of April 2013

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

I.R.I.S.' mission is to increase our customers' productivity and knowledge through helping them better manage their documents, data and information. **I.R.I.S. Products & Technologies** develops technologies and products for Intelligent Document Recognition and markets its portfolio on a worldwide basis through strong partnerships. **I.R.I.S. Professional Solutions** enables companies and administrations to find in one company the innovative expertise and hi-tech solutions to efficiently manage documents, information flows and IT infrastructure. I.R.I.S. has more than **500 employees** based in Louvain-la-Neuve, Vilvoorde and Brasschaat (Belgium), Orly (France), Windhof (Luxemburg), Amstelveen and Meerssen (The Netherlands), Aachen (Germany), Delray Beach (USA), Hong-Kong (China) and Oslo (Norway).

Contact: Denis Hermesse, CFO -Tel: +32 (0) 10 487 460 -E-mail: investors@iriscorporate.com
IMAGE RECOGNITION INTEGRATED SYSTEMS GROUP S.A. Rue du Bosquet 10 – Parc Scientifique de Louvain-la-Neuve – B 1435 Mont Saint-Guibert

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.

Annex 8.4: Memorandum in Reply

Annex 8.4 to the Prospectus

VOLUNTARY AND CONDITIONAL BID IN CASH BY CANON EUROPA N.V. FOR ALL SHARES, WARRANTS AND STOCK OPTIONS ISSUED BY I.R.I.S. GROUP SA, POSSIBLY FOLLOWED BY A SQUEEZE OUT

MEMORANDUM IN REPLY FROM THE BOARD OF DIRECTORS OF I.R.I.S. GROUP SA

5 February 2013

1. GENERAL PROVISIONS

1.1 Background

On 18 September 2012, Canon Europa N.V., a limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands, having its registered office at Bovenkerkerweg 59, 1185 XB Amstelveen, the Netherlands, filed with the Commercial Register (*Kamer van Koophandel*) of Amsterdam under number 33166721 (the "**Bidder**") announced its intention to launch a voluntary and conditional public bid in cash (the "**Bid**") possibly followed by a squeeze-out for all Shares which are not held by the Bidder (including the Treasury Shares), Warrants and Stock Options issued by Image Recognition Integrated Systems Group (abbreviated I.R.I.S. Group), a limited liability company (*société anonyme / naamloze vennootschap*) organised under Belgian law, having its registered office at rue du Bosquet 10, Parc Scientifique de Louvain-la-Neuve, 1435 Mont-Saint-Guibert, Belgium, filed with the Register of Legal Enterprises (*Registre des Personnes Morales / Rechtspersonenregister*) of Nivelles under number 0448.040.624 ("**IRIS**" or the "**Target**").

On 21 September 2012, the board of directors of the Target (the "**Board**") received a copy of the draft prospectus that the Bidder has submitted with the Belgian Financial Services and Markets Authority (*Autorité des services et marchés financiers / Autoriteit voor Financiële Diensten en Markten*) ("**FSMA**"). On, 28 January 2013, the Board reviewed and agreed upon the Prospectus in accordance with Article 26, para. 2 of the Royal Decree of 27 April 2007 relating to public Bids (the "**Takeover Decree**"). The Board did not have any comments on the Prospectus.

1.2 Memorandum in Reply

In accordance with the provisions of Articles 22 to 30 of the Law of 1 April 2007 relating to public Bids (the "**Takeover Law**") and Articles 26 to 29 of the Takeover Decree, the Board has given due consideration to the draft prospectus and to the draft of the memorandum in reply (the "**Memorandum in Reply**").

The Memorandum in Reply was approved by the Board on 28 January 2013. All the directors of the Target were present at the meeting or by telephone conference or represented.

On 4 February 2013, the Bidder has provided IRIS with a copy of the last draft prospectus that the Bidder has sent to the FSMA for approval (the "**Prospectus**"), on the basis of which the Memorandum in Reply was finalized.

1.3 **Definitions**

Unless otherwise provided in this Memorandum in Reply, the words and expressions used with an initial capital letter shall have the meaning attributed to them in the Prospectus.

2. **COMPOSITION OF THE BOARD OF DIRECTORS**

The Board is composed as follows:

2.1 Managing directors

2.1.1 Pierre De Muelenaere, Chief Executive Officer and President of IRIS.

2.1.2 Etienne Van de Kerckhove, Managing Director

2.2 Non-executive directors

2.2.1 Jean-Louis Grégoire

2.2.2 Thierry Marchandise

2.3 Independent non-executive directors

2.3.1 Pierre Sonveaux

2.3.2 Gérard Constant

2.3.3 Michel Claus

3. **DESCRIPTION OF THE BID**

3.1 Price Offered

The Bid relates to all currently outstanding Shares issued by IRIS (including 49,292 Treasury Shares), which are not held by the Bidder (being 1,550,282 voting shares), 27,000 Stock Options and 44,000 Warrants issued and granted by IRIS. For the avoidance of doubt, the Bid does not extend to the 1,240,072 VVPR Strips issued by IRIS.

The Bid Price for the Shares is € **44.50** in cash per Share (including each Treasury Share).

The Bid Price for the Warrants and Stock Options is stated in the following table.

Type	Number of Warrants/Stock Options outstanding	Exercise Price (EUR per Warrant/Stock Option)	Expiration date	Bid Price (EUR per Warrant/Stock Option)
Horizon 2009	3,500 (Stock Options)	25.11	December 2014	19.14
Horizon 2011	23,500 (Stock	42.18	December	12.83

	Options)		2017	
Horizon 2011	14,000 Warrants	42.18	December 2017	12.83
Horizon 2015	30,000 Warrants	36.23	November 2020	17.73
Total	71,000			

3.2 Conditions of the Bid

The Bid is subject to the satisfaction of the following conditions precedent:

- 3.2.1 the holding, by the Bidder, of at least 90% plus one of the Securities granting voting rights on a fully diluted basis at the end of the Initial Acceptance Period of the Bid;
- 3.2.2 the Bid shall not be subject to review by any governmental authority regulating anti-trust, competition or merger control matters in any jurisdiction beyond the initial phase of review for the applicable jurisdiction (which, by way of example, for the purposes of Belgium shall mean – in circumstances where the simplified procedure does not apply – any review beyond the initial 40 working days review period provided by the law following the submission of a complete notification), and no conditions shall be imposed in any decisions taken during such initial review periods approving the Bid, within the meaning of section 4 of the Royal Decree on Takeover Bids;
- 3.2.3 the amendment of article 24 of the articles of association of the Target (subject to all other conditions of the Bid being fulfilled or waived in accordance with the terms and subject to the conditions of the Bid), with a view to removing the 10% voting right cap limitation, at the extraordinary shareholders' meeting of the Target; and
- 3.2.4 the non-occurrence, at any time after the Announcement Date of the Bid and prior to the date of announcement of the results of the Initial Acceptance Period (both dates included), of any of the following events beyond the Bidder's control:
- (a) any fact, circumstance or omission by the end of the Initial Acceptance Period causing, or reasonably capable of causing (in the latter case insofar as this probability is confirmed by an independent expert), solely or jointly with any other fact, circumstance or omission, a negative impact of more than EUR 5 million (after taxes) on the Target's net assets or more than EUR 3 million on the Target's EBIT (*résultat opérationnel / bedrijfsresultaat*) (regardless of whether such fact, circumstance or omission has had an impact on the Target's stock market value); and/or
 - (b) a reduction of the closing quote of the BEL-20 index of more than 10% compared against the closing quote of the BEL-20 index on the date

preceding the Announcement Date. However, any decision by the Bidder to maintain the Bid during a period in which the closing quote of the BEL-20 index has temporarily been reduced by more than 10% compared against the closing quote of the BEL-20 index on the date preceding the Announcement Date, does not affect the Bidder's right to invoke the condition and thus withdraw the Bid (even though the Bidder cannot invoke the previously mentioned reduction anymore) if the closing quote of the BEL-20 index would again be reduced by more than 10% compared against the closing quote of the BEL-20 index on the date preceding the Announcement Date, and this, until all other conditions precedent to the Bid have been fulfilled.

The above conditions precedent are provided exclusively for the benefit of the Bidder, who reserves the right to waive at its discretion any of them in whole or in part.

Article 24 of the articles of association of the Target as set forth under 3.2.3 has been amended on 29 November 2012, on the occasion of an extraordinary shareholders' meeting of the Target (subject to the fact that all other conditions of the Bid being fulfilled or waived in accordance with the terms and subject to the conditions of the Bid).

To the knowledge of the Board, as at the date of this Memorandum of Reply, the circumstances described in section 3.2.4(a)(b) have not occurred.

3.3 Support of IRIS' Board of Directors

On 18 September 2012, the Bidder and the Target reached an agreement in relation to a number of matters concerning the Bid. Such agreement provides, amongst other matters and subject to certain conditions relating to its termination (*i.e.* termination or withdrawal of the Bid, termination by the Bidder, termination on rival bid becoming or being declared wholly unconditional), the following:

- undertaking by the Target to procure that the Board will support the Bid, subject to any fiduciary duties the Board may have;
- undertaking by the Target to tender the Treasury Shares to the Bidder under the Bid at the Bid Price, upon the terms and subject to the conditions of the Bid;
- undertaking by the Target to agree on a common communication strategy in close cooperation with the Bidder, and not to issue any press releases or any other form of public statement related to the Bid, or having directly or indirectly an impact on the Bid (including the Bid Price), without the prior written approval of the Bidder;
- undertaking by the Target that the members of the Board will tender their Securities to the Bidder under the Bid at the Bid price, upon the terms and subject to the conditions of the Bid;
- undertaking by the Target that it shall not, and that the members of the Board shall not, acquire any further Securities;
- undertaking by the Target to procure that the current CEO of the Target shall extend the duration of his current management agreement with the Target, prior

to the end of the Initial Acceptance Period of the Bid, for a minimum period of 3 years starting as from the completion of the Bid;

- undertaking by the Target that it will not solicit any third party to analyse, organise or otherwise initiate a potential takeover bid, merger, or any other operation that would relate to a transfer (in the broadest sense possible) of all or a significant part of the Shares, subject to any fiduciary duties that the Board may have;
- undertaking by the Target to procure that the Board will not increase the Target's share capital by application of article 5 of the articles of association; and
- undertaking by the Target to pay a break-up fee to the Bidder in the event of a successful counterbid or unsolicited (hostile) counterbid up to a maximum amount of EUR 1.4 million.

3.4 Initial Acceptance Period and Extension

The Initial Acceptance Period will start on 6 February 2013 and close on 20 March 2013 (both dates inclusive).

The Bidder indicates in the Prospectus that it reserves the right to extend the Initial Acceptance Period for 2 weeks, which does not exceed the maximum period of 10 weeks of the Initial Acceptance Period allowed by law, if the condition set forth in Chapter 6.2(ii) of the Prospectus is not fulfilled and therefore no final decision is taken by the competent competition authorities before the currently foreseen end of the Initial Acceptance Period on 20 March 2013. On 20 March 2013, the Bidder will inform the public either of the closing of the Initial Acceptance Period if the condition mentioned below is fulfilled, or of the extension of the Initial Acceptance Period if the said condition is not fulfilled.

3.5 Mandatory re-opening of the Bid

Pursuant to section 35, 1° of the Royal Decree on Takeover Bids, the Bid shall automatically be reopened when the Bidder, any persons affiliated to it and any persons acting in concert with it, hold, upon expiry of the Initial Acceptance Period, at least 90% of all Securities with voting rights. The Bid will reopen within 10 Business Days following the publication of the results of the Bid following the Initial Acceptance Period for a subsequent Acceptance Period of at least 5 and maximum 15 Business Days.

3.6 Voluntary reopening of the Bid

If, upon completion of the Bid, the Bidder, any persons affiliated to it and any persons acting in concert with it, hold at least 85% but less than 90% of the Shares, and the Bidder waives the acceptance threshold condition precedent, and the other conditions precedent have been fulfilled or waived, the Bidder reserves the right to reopen the Bid at its discretion under the same terms and conditions after the publication of the results of the Bid following the Initial Acceptance Period.

In no event shall the aggregate of the Initial Acceptance Period and any voluntary reopening of the Bid (including any extension) exceed 10 weeks, i.e. 17 April 2013.

3.7 Squeeze-Out

If, upon completion of the Bid, possibly reopened as explained in section 1.4.7 (*Reopening of the Bid and squeeze out*) of the Prospectus, the Bidder holds at least 95% of the Shares, and provided that the Bidder acquired at least 90% of the Shares to which the Bid is directed, then the Bidder intends to proceed with a simplified squeeze-out in accordance with Articles 42 and 43 of the Takeover Decree and Article 513 of the Company Code, to acquire the Securities (thus including the Warrants and the Stock Options) not yet acquired by the Bidder, under the same terms and conditions as the Bid (or the voluntary reopening thereof).

3.8 Compelled purchase

If the Bidder, any persons affiliated to it and any persons acting in concert with it, hold, following the Bid or its reopening, at least 95% of the Shares, and provided that the Bidder acquired at least 90% of the Shares subject to the Bid, any Security holder is entitled to require the Bidder to purchase its Securities at the Bid Price.

4. **DISCUSSION ON THE PROSPECTUS AND ASSESSMENT OF THE BID**

As indicated above, on 28 January 2013 the Board reviewed and agreed upon the Prospectus in accordance with Article 26, para. 2 of the Takeover Decree.

The Board reminds the public that it has confirmed at the time of the announcement of the Bid that it considers the Bid to be friendly, and agreed to support the Bid, without prejudice to its obligation to assess the Bid in a Memorandum in Reply in accordance with the Takeover Law and the Takeover Decree.

The Board has examined the possible consequences of the Bid, as stated in the Prospectus, taking into account the overall interests of the Target, of the Security Holders, creditors and employees – including the employment opportunities, and they have assessed the Bid as follows:

4.1 **Evaluation in respect of the interests of the holders of Shares**

The Bid Price for the Shares is € 44.50 per Share. The Bidder offers the holders of Shares a cash-only consideration.

4.1.1 Price justification stated in Prospectus

The Board takes note of the price justification, as stated in the Prospectus:

- The Bid Price per Share represents a premium of (i) 49.8% to the Share price on the day of the Announcement Date, (ii) 51.5% on the volume weighted average Share prices over the last month prior to the Announcement Date, and (iii) 52.8% on the volume weighted average

Share prices over the last three months prior to the Announcement Date.

- The premium offered to the Share price prior to the Announcement Date amounts to 49.8% (Announcement Date), 52.1% (1 month), and 54.5% (3 months), and is significantly higher than the premium paid in recent Belgian public takeover bids.
- The Bid Price per Share reflects a premium of 23.6% to the average target price set by the equity research analysts. Furthermore, these prices reflect price targets in 12 months time, whereas the Bid Price is effective on the Announcement Date.
- The Bidder has selected a peer group consisting of Allgeier, Atos, EMC, Kofax, Nuance, Opentext, Readsoft, Sword Group and Xerox. On 14 September 2012, the Bid Price represents a premium to the implied Share price based on median trading EV/EBITDA multiples for 2011, 2012 and 2013 of respectively 33%, 39% and 18% and on median trading EV/EBIT multiples for 2011, 2012 and 2013 of respectively 21%, 22% and 25% and on median trading P/E multiples for 2011, 2012 and 2013 of respectively (8)%, 31% and 59%.
- A sample of transactions has been selected by the Bidder relating to companies active within enterprise content management software, business process management, as well as transactions relating to Belgian companies active in the technology and software sector. The Bidder notes that no transaction is fully comparable to the Bid in terms of activity, size, profitability and geographical presence. Moreover, the Bidder notes that the information related the most comparable transactions is not always disclosed and available.

The Bid Price reflects a premium of 8.3% versus the implied value per share based on median EV/EBITDAx and is closely in line (-0.1%) with the implied value per share based on the median EV/EBITx.

The Bidder notes that (i) the acquisition price is sometimes less transparent in terms of underlying financials of the target or the exact deal structure, and (ii) the analysis of the multiples of precedent transactions should take into account general market conditions prevailing at the time of such transactions or company specific conditions.

- The discounted cash flow method is applied to the projections on future sales, profitability and CAPEX requirements for the period 2012-2013 based on equity research analyst consensus. In view of other valuation parameters, a discount rate of 9.07%-9.57% and a long term growth rate ranging between 1.5% and 2% is used by the Bidder. Based on these assumptions, the discounted cash flows valuation gives an enterprise value between EUR 56.2 million and EUR 62.5 million, an implied equity value between EUR 65.5 million and EUR 71.7 million, which equals a Share price between EUR 36.1 and EUR 39.5.

No discount has been applied to the DCF valuation outcome relating to illiquidity.

- The Bid Price per Share of EUR 44.5 represents a 18% premium to the central value of the valuation range.
- In conclusion, having analysed the different valuation methodologies, the Bidder believes that a cash Bid Price of EUR 44.5 per Share is above the current share price levels and reflects premiums to several valuation levels and constitutes an attractive offer to the holders of Shares.
- Considering the liquidity of the Shares, the Bidder deems it is worth considering that the Bid provides all investors with the possibility to receive the cash consideration immediately without any limitation as to the liquidity of the Share.

4.1.2 Fairness opinion

The independent directors of the Target are statutorily not required to appoint an independent expert pursuant to sections 20 to 23 of the Royal Decree on Takeover Bids. The independent directors of the Target have commissioned KPMG Advisory Civil CVBA ("**KPMG**") to establish a fairness opinion on the Bid Price (the "**Fairness Opinion**"). The final Fairness Opinion has been issued by KPMG and unanimously approved by the Board on 17 September 2012. The conclusion of the Fairness Opinion reads as follows:

“Based upon and subject to the contents of this letter, KPMG Corporate Finance is of the opinion that, taking into consideration the relevant elements of the Envisaged Transactions, underlying assumptions and business information in conjunction with the analysis as described in this report, the Envisaged Transaction will take place at fair market value.”

4.1.3 Conclusion

On the basis of the justifications of the Bid Price in the Prospectus and the Fairness Opinion, the Board agrees with the basis on which the Bid Price for the Shares has been reached, in that it has taken account of the usual evaluation parameters and criteria. In light of the current challenging and uncertain economic and financial environment, the Board is of the view that the Bid offers shareholders a very attractive price and the Board unanimously recommends that holders of Shares accept the Bid.

4.2 **Evaluation in respect of the Warrant and/or Stock Option holders' interests**

4.2.1 Price justification stated in Prospectus

The Bid Price for the Warrants and/or Stock Options is stated in chapter 3.1 above. The Bidder offers the holders of Warrant and/or Stock Option a cash-only consideration.

The Warrants and Stock Options are not traded on a stock exchange and, as a consequence, there is no direct reference for their valuation. The Board observes that the Bidder has calculated the consideration offer of outstanding Warrants and Stock Options by using standard market model for the valuation of warrants or options (*i.e.* Black & Scholes model).

This model takes into account the current Share price, the exercise price of the Warrant, interest rates, dividends, the exercise period of the Warrant and the expected future volatility of the underlying Share. The consideration offered of EUR 44.5 per Share has been used as the current Share price in the valuation of the Warrants and Stock Options. The included interest rate is the Belgian benchmark risk free interest rate on 14 September 2012, corresponding to the remaining term of every Warrant or Stock Option. Furthermore, in the valuation of the Warrants and Stock Options, the dividend paid on May 31st, 2012 (EUR 0.7 per Share) has been taken into account to determine the dividend yield of 1.57%. Another key parameter in estimating the time value of a Warrant or Stock Option is the volatility. The volatility reflects the price fluctuation of a Share within a period of time. As no liquid market exists for the Warrants and Stock Options to derive the implied future volatility in the Stock Option pricing, the volatility was derived from the historical volatility of the Shares. Historical volatility of the Share was measured as a 3-months average of the 1-year period volatility (250 trading days) prior to 14 September 2012 and amounts to 32.7%.

The outcome for each class of Warrants based on the Black & Scholes model has been rounded at the upper eurocent. Each current outstanding Warrant and Stock Option represents a possible conversion into one (1) Share.

4.2.2 Fairness opinion

The conclusions of the Fairness Opinion confirm that the price for the Warrants and the Stock Options is fair and reads as follows:

“Based upon and subject to the contents of this letter, KPMG Corporate Finance is of the opinion that, taking into consideration the relevant elements of the Envisaged Transactions, underlying assumptions and business information in conjunction with the analysis as described in this report, the Envisaged Transaction will take place at fair market value.”

4.2.3 Conclusion

On the basis of the above, the Board agrees with the basis on which the Bid Price for the Warrants and/ or Stock Options has been reached, in that it has taken account of the usual evaluation parameters and criteria and accurately reflects the Bid Price for the Shares, and the Board unanimously recommends that holders of Warrants and/or Stock Options accept the Bid, in accordance with their terms and conditions.

4.3 **Evaluation in respect of the employees' interests and employment opportunities**

IRIS has informed the works council (“*conseil d'entreprise*”) of the Bid on 19 September 2012.

The Board notes that the Bidder currently intends to retain the skills and experience of the Target's personnel. On the date of the Prospectus, the Bidder does not anticipate any substantive change in work force or employee working conditions. Moreover, becoming a part of the Bidder's group may also offer possibilities of professional development for suitable employees in Belgium and internationally.

The Bidder also intends to maintain the management team as is today, with Mr Pierre De Muelenaere staying on as CEO and director of the Target.

The Board therefore believes that the continued commitment of IRIS' valuable associates and employees will be a key determining factor for a successful cooperation between IRIS and the Bidder's group, creating valuable perspectives for IRIS' employees. It is of the opinion that the Bidder is strongly aware of this, having a high esteem for the expertise and technical strength of IRIS' employees. In this respect, the Board also notes that the Bidder believes that becoming a part of the Bidder's group may also offer possibilities of professional development for suitable employees in Belgium and internationally.

4.4 Evaluation in respect of the partners, clients' and creditors' interests

The Prospectus states that the Bidder currently intends to continue to operate and develop the Target's existing business as a stand-alone company within the Bidder's group, in close cooperation with current management and in the same way as the Bidder has managed the relationship with other companies acquired for their technology. The Prospectus also states that the Bidder has no current intentions to change the existing strategic partnership whereby the Bidder and IRIS sell each other's products to their own customers, or to request IRIS to change current relationships with its partners and customers.

In addition, it is stated in the Prospectus that the Bidder has a strong balance sheet with a considerable cash position. According to the Bidder's zero external loan policy, there is no intention to change the leverage position of the Target significantly. The Bidder is of the view that its financial strength is likely to result in an even higher level of security for the Target, especially in the current challenging economic climate. The Bidder is, in principle, able to provide faster, easier and more secure access to financing as compared to current debt or equity markets.

On this basis, the Board anticipates that the expected synergies arising from the complementarities of the respective businesses will not deteriorate IRIS' operational results, and the Board anticipates that the future support of the Bidder's group will not have any adverse impact on the solid financial position of IRIS.

Considering the above, the Board believes that, based on the information in the Prospectus, the Bid should reinforce IRIS' ability to honour its commitments towards its partners, clients and creditors in the future, in accordance with the arrangements and agreements in this respect.

4.5 Evaluation of the Bidder's strategic plans for IRIS

The Prospectus describes the Bidder's objectives and business rationale of the Bid as follows:

- The Bidder has a long standing strategy to offer its customers end-to-end office solutions in the business environment. During the close strategic partnership between the Bidder and IRIS, the Bidder has been impressed with IRIS' innovative technology and its broad range of solutions in the office market. The Bidder therefore believes that there is a strong strategic fit between both companies, and also believes that an increased alignment of their products and technologies would benefit both parties.
- A successful Bid, and the ensuing full ownership of IRIS by the Bidder, will allow both companies to cooperate more closely on finding innovative solutions to the problems faced by their customers than is currently the case. As such, the Bid fits with the Bidder's plan to develop a range of high-end technology solutions that complement its current world class products, the development of a consultancy based sales approach and maintain a continued focus on offering a broad range of professional solutions. This will also allow the Bidder to support the continued growth of the Target's business in the current challenging European and global economic conditions.
- The Bidder confirms in the Prospectus that there are no current intentions to request IRIS to change its ongoing relationships with its partners and customers and that they confirmed that they will work closely with current management to safeguard these important business relationships.

Based on this information, the Board is of the opinion that the current (often long-term) relationships with clients and distribution partners will be preserved and that the clients interest and partners are likely to benefit from (i) the development of a range of high-end technology solutions that complement its current world class products, (ii) the development of a consultancy based sales approach, and (iii) the continued focus on a broad offer of professional solutions.

In conclusion, the Board is of the opinion, based on the information contained in the Prospectus, that the proposed Bid Price is a very attractive one for the Security Holders, and the Board expects that the strategy that the Bidder has illustrated in its Bid and defined in the Prospectus, is very positive for IRIS, in terms of its results and in terms of its expansion.

5. SECURITIES HELD BY THE DIRECTORS

5.1 The number of securities with voting rights, or granting the right to vote, held by the members of the Board

On the date of this Memorandum in Reply, the following Shares, Warrants and/or Stock Options were held by the members of the Board:

Director or person represented in Board	Shares	Warrants and/or Stock Options
--	---------------	--------------------------------------

Pierre De Muelenaere	49,145	8,500
Etienne Van de Kerckhove	0	8,500

5.2 **Transfer of securities by members of the Board**

The Target and the Bidder have entered into an agreement pursuant to which the Target undertakes to ensure that Mr. De Muelenaere and Mr. Van de Kerckhove will tender their Securities to the Bidder under the Bid at the Bid price, upon the terms and subject to the conditions of the Bid.

The other Board members do not hold any Shares, Warrants and/or Stock Options.

6. **APPLICATION OF APPROVAL CLAUSES AND RIGHTS OF PURCHASE**

IRIS's articles of association do not contain any approval clauses or pre-emption rights of purchase in connection with the transfer of the Shares, Warrants and the Stock Options contemplated in the Bid. To the Board's best knowledge, no preferential rights of purchase have been granted to any third party.

7. **VIEW OF IRIS' EMPLOYEES**

In accordance with the provisions of Articles 42 et seq. of the Takeover Law, the Board has informed the Target's works council ("*conseil d'entreprise*") of the announcement of the Bid and of its conditions.

The advice adopted by the works council pursuant to Article 44 of the Takeover Law at the occasion of the extraordinary works council held on 11 January 2013 reads as follows [free translation]:

"The works council has taken note of the draft prospectus and the memorandum in reply of the board of directors of IRIS setting out the terms and conditions of the friendly bid by Canon on the IRIS group. The members of the works council issue a positive advice as to the financial interest of this transaction. As provided in the Takeover Law, the members of the works council will meet the representatives of the Bidder."

8. **MISCELLANEOUS PROVISIONS**

8.1 **Responsible persons**

IRIS, represented by its Board, is responsible for the information contained in this Memorandum in Reply.

The Board is composed as stated in point 2 above.

The persons responsible for the Memorandum in Reply, identified as stated above, hereby certify that, to the best of their knowledge, the information contained in this Memorandum in Reply presents an accurate view of the situation as of the date of this

Memorandum in Reply and does not contain any significant omission that could have the effect of distorting this view. Neither the Target nor the Board accept any other responsibility with regard to this Memorandum in Reply.

8.2 **Approval of the Memorandum in Reply by the FSMA**

The French language version of the Memorandum in Reply was approved by the FSMA on 5 February 2013 in accordance with Article 28, § 3 of the Takeover Law.

This approval does not imply any assessment of the advisability or quality of the Bid.

8.3 **Languages and Availability of the Memorandum in Reply**

This Memorandum in Reply is available in French and in English. The FSMA has approved the French version of this Memorandum in Reply. The Target has prepared a translation into English of this Memorandum in Reply. The Target is responsible for the accuracy of the English translation. Only the French version will be legally binding.

This Memorandum in Reply shall be attached to the Prospectus and the Memorandum in Reply and the Prospectus will be distributed together.

This Memorandum in Reply shall be available on the website of ING Belgium SA/NV,

in French on:

http://www.ing.be/fr/retail/investments/shares-and-bonds/Pages/shares.aspx?WT.xmenusource=LEFTNAVIGATION_Actions and

in English on:

http://www.ing.be/en/retail/investments/shares-and-bonds/Pages/shares.aspx?WT.xmenusource=LEFTNAVIGATION_Actions

It is also available in French and in English on the website of the Target on <http://www.iriscorporate.com/c2-151-17/Prospectus.aspx>.

The Security Holders may also obtain a printout of this Memorandum in Reply free of charge by sending a written request by ordinary mail to the Target, at the following address:

I.R.I.S. Group SA
Attn. Françoise Dernelle
Rue du Bosquet 10
Parc Scientifique de Louvain-la-Neuve
1435 Mont Saint-Guibert

The Board of Directors