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Overview of 2005

A2iA Announces a 30% Rise In Consolidated Sales

Paris - April 11, 2006 - Devoting 25% of its revenue to R&D, A2iA continued to expand its four product lines and strengthened its position on the market for opened incoming mail with the launch of *A2iA DocumentReader*. A2iA has expanded its international presence and now services 700 customers in 20 countries.

The figures

A2iA, the worldwide leader of intelligent word recognition (IWR), machine-printed recognition and intelligent document classification, posted **consolidated sales of €7 million** (40% of which is invoiced in dollars) for 2005. This figure is up 30% over 2004, even though the company faced an adverse euro/dollar parity for the third consecutive year.

A2iA and its partners signed **110 new customers** worldwide. The company's distribution network added **31 new partners**, 20 of them in the United States and 10 in Europe. A2iA currently has **over 700 customers worldwide and has formed distribution partnerships with 170 integrators**.

Solutions

- **Mail processing**

Electronic mail processing is a strategic growth segment for A2iA. 2005 saw the launch of **A2iA DocumentReader**, the first dedicated recognition engine for reading and classification of handwritten mail. *A2iA DocumentReader* is wholly dedicated to mail-processing applications, allowing large firms and governmental bodies to automatically process all of their opened incoming mail.

A2iA DocumentReader is designed for integration into comprehensive mail management solutions. It has already been integrated into BancTec and Digitech solutions, and partnership agreements have been signed with Anacom, Maerys, Metalinks, Sesin, EMC Captiva France, Ipsa, and Sofrane Informatique.

- **Address Recognition**

A2iA also continued its growth on the address-processing market. This expansion began in 2004 with the launch of *A2iA AddressReader* software, which recognizes handwritten and machine-printed addresses on envelopes and structured forms.

A2iA is now a major player in the address recognition market. This market consists of four segments: outgoing mail sorting (postal code and city recognition for pre-sorting purposes), internal corporate mail sorting (reading of addressee fields in internal mail documents), incoming mail sorting (recognition of address field on envelopes) and postal mail sorting (address block recognition on envelopes).

International deployment

The imminent liberalization of the European market for postal mail sorting is opening up new growth opportunities for character-recognition solutions like those of A2iA.

A2iA's technology, already used by the French bank BNP Paribas for sorting internal mail and in all Royal Mail sorting centers in Great Britain, was selected in 2005 for use in 15 postal pre-processing centers in Germany.

A2iA's technology has been integrated into the solutions of US and European firms such as Lockheed Martin and Cesa/Prolistic.

▪ **Document Manager**

A2iA FieldReader, A2iA's dedicated automatic document reading system, experienced continued market growth through new agreements signed with French government offices (the Central Military Administrative Archives Bureau and the unemployment insurance office UNEDIC), the private sector (the service companies Taxis G7 and Bilan Service, along with complementary health insurance provider Reunica), and not-for-profit associations (the American Cancer Society).

International deployment

In Europe, A2iA added ten new partners to its distribution network: Sesin, Maerys, Sofrane, Cedricom, EMC Captiva, Metalinks, Ipsa, Nica, Anacomp, and Wincor Nixdorf UK.

In North America, the company signed three distribution agreements for the *A2iA FieldReader* system: Protech Solutions, Quality Associates and Radiant.

▪ **Payment-systems**

A2iA confirmed its leading position on the payment-systems market and, with its partners, is adding new applications to be supplied with *A2iA CheckReader*: fraud detection, combating money-laundering, in-house processing for major check depositors (service companies and department stores), back-office processing, ATMs, etc.

Europe

In France, A2iA landed 20 new customers with *A2iA CheckReader*, including BNP Paribas, Banque de France (Poitiers branch), Avis, Crédit Mutuel Loire Atlantique Centre Ouest, 9 Telecom, two URSSAF (social security) branches, Extrafilm and more.

In 2005, A2iA entered the self-service banking market in Europe with the integration of *A2iA CheckReader* in MoneyLine's Automatic Check Deposit machines. This A2iA technology allows full automation of the check depositing process, thus eliminating many processing tasks performed in the back office or in a full-service bank branch.

A2iA and its partners are also developing solutions to allow depositors of large numbers of checks to digitize and recognize their checks internally. The check images and digital data are then sent to the bank, thus streamlining the processing of financial flows. This application has been adopted by 9 Telecom, which is now using the Damaris solution with *A2iA CheckReader* integrated.

In 2005, A2iA also confirmed its positioning in the United Kingdom by gaining five new customers for centralized check processing: HBos, Empire Stores, Damart, Hagemeyer and CITB.

Three major banks have installed Wincor Nixdorf ATMs with *A2iA CheckReader* integrated, in order to handle check processing directly in ATMs: HSBC, Permanent TSB and Hbos.

Five hundred Barclays "Corporate Banking" customers who deposit large numbers of checks have integrated *A2iA CheckReader* into Solchar's Banking Assistant application.

A2iA, which already had a presence in Portugal and Spain, continued its expansion in southern Europe by signing its first Italian customer, SNEM, one of Italy's main service bureaus.

North America

In 2005, A2iA generated 40% of its sales in North America. With some 50 partners and in the context of the Check 21 Act (on use of the entire image of the check), which has been in force since November 2004, A2iA is adding new applications to its positioning:

- Combating fraud and money laundering: verification of check image quality, of whether mandatory fields are filled in and of the consistency of the information, either in real time or after deposit.

- Decentralized capture and processing of check images: in bank branches (both at the teller's window and in the back office), at major check depositors and stores, and in check deposit machines.
- Check processing at centralized sites.

A2iA has signed up more than 50 new customers, including ABN Amro, Bank Iowa, Saint Louis County Tax Collector, Boat US, and First Basin Credit Union.

Asia Pacific

A2iA and its partner Unisys continued their expansion in Asia, providing technology to three large banks in Singapore, HSBC, Citibank and United Overseas Bank, and a Hong Kong service bureau, I-Advantage.

In Australia, ReadSoft and A2iA boast three new customers: Computershare, QM Technology and ASX Perpetua.

Outlook for 2006

In early 2006, Jean-Louis Fages, Olivier Baret and the A2iA management team, along with Développement & Partenariat and XAnge Capital, took control of A2iA, which had until now been owned by family shareholders and Eurazeo. This change of ownership will make it possible to accelerate the company's development.

The spearheads of A2iA's growth in 2006 will remain the mail-sorting market (internal, incoming, outgoing and postal) with A2iA AddressReader and the market for automated processing of opened incoming mail, with A2iA DocumentReader. The latter serves as the backbone for the applications currently under development by A2iA. The fruit of five years of active R&D, *A2iA DocumentReader* will be a unique system on its market, capable of fully paperless processing of corporate correspondence flows.

"Our objective is to achieve a more even spread of our sales between recognition of checks, envelopes, forms and incoming mail by 2007, and to generate 70% of our sales in export markets by 2009", explains Jean-Louis Fages, CEO and President of A2iA Corp.

About A2iA

A2iA (Artificial Intelligence & Image Analysis), founded in 1991, headquartered in New York and Paris, is known as the worldwide leading developer of Intelligent Word Recognition (IWR) technology for extracting information from natural freeform and cursive handwriting on paper documents. The company's technology has been helping paper-intensive industries reduce data entry costs and improve business process automation for 15 years. A2iA's recognition engines harmonize their OCR, ICR and IWR technologies with their image analysis, artificial intelligence and neural network systems to enhance solutions from the world's leading systems integrators and other independent software vendors. For more information: www.a2ia.com.