REGISTRATION DOCUMENT 2013

ANNUAL FINANCIAL REPORT

axway

business. in motion.

French société anonyme
with share capital of €41,031,518
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REGISTRATION DOCUMENT **2013**

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The original French-language version of this Registration Document was registered with the Autorité des Marchés Financiers (AMF) on 24 April 2014 under no. R.14-019 pursuant to Article 212-13 of its General Regulations. The French-language original may be used as a basis for a financial transaction if it is supplemented by a prospectus authorised by the AMF. This document was prepared by the issuer whose authorised signatories alone assume responsibility for its content.

The registration, in accordance with the provisions of Article L. 621-8-1 of the French Monetary and Financial Code, was made after the AMF had verified that the document is complete and comprehensible and that the information it contains is consistent. This does not mean that the AMF has certified the financial and accounting information presented in the document.

Copies of this Registration Document are available free of charge from Axway Software SA, Direction de la Communication Financière, 26 rue des Pavillons, 92800 Puteaux, or from the website www.axway.com or the AMF website www.amf-france.org.

Contents

The information required in the Annual Finacial Report is identified in the contents table by the sigle AFR

GENERAL REMARKS

This Registration Document also includes:

- the annual financial report, which must be drafted and published by all listed companies within four months from the end of each financial year, pursuant to Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the General Regulations of the AMF; and
- the management report for the financial year drafted by the Board of Directors of the Company, which must be presented to the General Meeting held to approve the financial statements for each financial year, pursuant to Articles L. 225-100 *et seq.* of the French Commercial Code.

A table is provided below that can be used to cross-reference the items of information contained in these two reports.

INFORMATION INCLUDED IN THE REGISTRATION DOCUMENT

Pursuant to Article 28 of Commission Regulation (EC) No. 809/2004 of 29 April 2004, the following information is included with respect to this Registration Document:

1- In respect of financial year 2011:

- the consolidated financial statements of Axway for 2011 and the Statutory Auditors' report that formed part of the prospectus filed on 27 April 2012 under No. R12-017 (on pages 101 to 149 and 150 respectively);
- the parent company financial statements of Axway Software for 2011 and the Statutory Auditors' report that formed part of the Registration Document filed on 27 April 2012 under No. 12-017 (on pages 151 to 169 and 170 respectively).

2- In respect of financial year 2012:

- the consolidated financial statements of Axway for 2012 and the Statutory Auditors' report that formed part of the Registration Document filed on 24 April 2013 under No. R13-016 (on pages 117 to 165 and 166 respectively);
- the parent company financial statements of Axway Software for 2012 and the Statutory Auditors' report that formed part of the Registration Document filed on 24 April 2013 under No. R13-016 (on pages 167 to 187 and 188 respectively).

DEFINITIONS

Unless indicated otherwise, in this Registration Document:

- "the Company" and "Axway Software" refer to Axway Software SA;
- "the Group" and "Axway" refer to Axway Software SA and its subsidiaries.

MARKET INFORMATION

This Registration Document also contains information relating to markets and the market shares of the Company and its competitors, as well as its competitive position, mainly in Sections 1 and 3 of Chapter 1. Most of this information comes from research conducted by third parties. Moreover, information in the public domain, which the Company believes to be reliable, has not been verified by an independent expert, and the Company cannot guarantee that a third party using different methods for the collection and analysis of such data or for calculations made using such data, would obtain the same results. The Company and its direct or indirect shareholders cannot undertake any obligations nor provide any guarantees as to the accuracy of this information.

FORWARD-LOOKING INFORMATION

This Registration Document contains forward-looking statements and information on the Group's objectives, notably in Sections 1 and 3 of Chapter 1, and Section 3 of Chapter 3, which are sometimes identified by the use of verbs in the future or conditional tenses, such as "should" or "could" or by verbs such as "estimate", "consider", "target", "project", "expect" or "aim". These statements and information are based on data, assumptions and estimates deemed to be reasonable by the Company. The forward-looking statements and objectives contained in this Registration Document may be affected by known or unknown risks, uncertainties relating to the regulatory, economic, financial and competitive environments, and other factors that may lead to the Company's future results, performances and transactions varying significantly from its objectives or indications. In particular, these factors may include the factors described in this Registration Document.

The forward-looking statements set out in this Registration Document are valid only as of the date of publication. The Group operates in a competitive, constantly-changing business environment. It cannot therefore anticipate all of the risks, uncertainties or other factors likely to affect its business activities, nor is it always able to measure the potential impact on its business or assess to what extent the occurrence of a particular risk or combination of risks might cause actual results to differ significantly from those set out in any forward-looking statement, given that forward-looking statements do not constitute guarantees of future performance.

RISK FACTORS

Investors are invited to make careful consideration of the risk factors described in Section 5 of Chapter 3 of this Registration Document before making any investment decisions. The occurrence of one or more of these risks may have a negative impact on the business activities, financial position or results of the Company or its objectives. Moreover, other risks, which have not yet been identified or are not deemed significant by the Company, may also have a negative impact and investors could lose all or part of their investment.

1

THE AXWAY GROUP AND ITS BUSINESS ACTIVITIES

1 GENERAL SITUATION IN THE SOFTWARE PUBLISHING INDUSTRY

1.1 The software publishing industry

The enterprise software market is divided into two major categories: application software and infrastructure software (or middleware). The market grows at an average rate of 6 to 7% per year (source: Axway). The middleware or infrastructure segment includes database solutions, IT operating software, applications development software, storage management software and, in particular, integration and security solutions, Axway's two main business segments.

Gartner's "Forecast: Enterprise Software Markets, Worldwide, 2011-2018, 1Q14 Update[(1)]" valued the infrastructure software market at $169.16 billion in 2013 (of which $32.12 billion for operating systems). Within infrastructure software, the Application Infrastructure and Middleware segment, which covers most of Axway's product portfolio, amounted to $21.23 billion in 2013. Gartner is forecasting growth of 7.3% in that segment in 2014, and average annual growth of 7.8% between 2011 and 2018.

In its report "Global Tech Market Outlook 2014 to 2015, A Better But Still Subpar Global Tech Market" dated 2 January 2014[(2)], Forrester valued the global software market at $456 billion (in adjusted currencies), and forecast growth of 7.02% to $488 billion in 2014. This firm valued the Middleware segment (which covers most of Axway's product portfolio) at $144.9 billion in 2014 (without currency adjustment as this segment does not include operating systems). Within the Middleware segment, Forrester valued the Integration Middleware market at $30 billion in 2014.

As a global player, Axway is affected by regional market conditions. IT spending is still buoyant in the US (with growth exceeding 7% in US$ in 2013 and 2014); it remains weak in Western Europe (growth limited to around 1% in €, and negative in US$, if we take account of €/$ exchange rate movements): it remains significantly higher in Northern Europe, where the equipment ownership and digitisation rate is higher than in Southern Europe, which could nevertheless return to positive growth in 2014. In France, where Axway has a higher market share, IT spending in 2014 (excluding mobile devices) is expected to return to its 2008 level.

In its economic survey *(Baromètre de conjoncture du 4e trimestre 2013[(3)])* presented in February 2014 and conducted jointly with IDC, Syntec Numérique indicates growth of 1.9% for the French market in 2013 and 2.3% for 2014. Both the consortium and the market research company' talk of "stability" to describe the market situation for software publishing companies at the beginning of 2014. While the situation is no longer deteriorating, there is no market surge: the only segments showing significant growth are the professional tablets market (a sign of the dynamic development of mobile devices, whether personal equipment or smart devices) and the large servers market (a sign of infrastructure consolidation and cloud investments, both private and public). In this survey, IT security still tops the list of IT Directors' priorities.

The software publishing industry is clearly greatly affected by changes in consumption models and associated economic models, as well as the cloud (Software-as-a-Service, SaaS). Not all software is suitable for cloud computing. Moreover, the SaaS share of the global software market is still relatively small (around 10% in 2014, and 15% in 2017, according to our analysis): yet, SaaS is the market's major growth driver.

(1) *Gartner, "Forecast: Enterprise Software Markets, Worldwide, 2011-2018, 1Q14 Update", by Laurie Wurster, Joanne Correia, Fabrizio Biscotti, Matthew Cheung, Ruggero Contu, David Coyle, Federico de Silva Leon, Sid Deshpande,Yanna Dharmasthira, Tom Eid, Chad Eschinger, Colleen Graham, Bianca Granetto, Neil McMurchy, Vassil Mladjov, Chris Pang, Asheesh Raina, Dan Sommer, Bhavish Sood, Hai Hong Swinehart, Michael Warrilow, Jin-Sik Yim and Jie Zhang, 14 March 2014. The Gartner Report(s) described herein, (the "Gartner Report(s)") represent(s) data, research opinion or viewpoints published by Gartner, Inc. ("Gartner") as part of a syndicated subscription service and are not representations of facts. Each Gartner Report is valid as of its original publication date (and not as of the date of this document) and the opinions expressed in the Gartner Report(s) are subject to change without notice.*

(2) *Forrester Research Inc. "A Better But Still Subpar Global Tech Market Outlook 2014 to 2015", 2d of January 2014, Andrew Bartels.*

(3) *"Baromètre de conjoncture du 4e trimestre 2013" Joint survey published in France by Syntec Numérique and IDC. 4th quarter 2013. Panel of 50 large corporations. Report of 10 February 2014.*

As an example, in its "Forecast: Public Cloud Services, Worldwide, 2011-2017, 4Q13 update"(4), Gartner values the Public Cloud Services market for the Application Infrastructure and Middleware segment at $1.29 billion in 2013, with average annual growth of 24.2% over the 2011-2017 period. In Axways's opinion, one can observe thus that, for this particular technology segment, the "cloud" share has a growth rate more than 3 times higher than the "on-premises" share.

1.2 Axway's growth in the software sector

In the enterprise software market, Axway operates in the Middleware segment, and more specifically in integration and security middleware. In this last segment, Axway focuses on integration solutions for governing the flows of data.

Axway has solid assets to succeed in this market. Axway's MFT (Managed File Transfer) and B2B experience has enabled it to develop unique know-how in governing the flows of data at company borders, enhanced by the API (Application Programming Interface) management technology acquired in 2012 (Vordel). The combination of these technologies (MFT, B2B and API), along with related data flow governance, provides the value sought by the industry, which wants to move out of channel silos and improve management of customer relations.

For the past five years (2009-2013), Axway has withstood difficult market conditions well, in particular through constant growth and consistently good profit margins. Axway also revealed its dynamism through the acquisitions of Vordel (2012) and of its distribution networks in Brazil and Australia (2013), its distinctive positioning in "governing the flows of data" and the reputation it has earned with the industry's analysts as a leading provider of integration solutions.

In the next few years, Axway will be able to benefit from market trends, which are highly favourable to the proliferation of data flows, and thus need integration and security solutions for these flows. Developments in areas such as the cloud in its private and public forms, mobility through the boom in personal equipment and smart devices, communities through social networks or the processing of the large data volumes generated and transferred, all create needs that point increasingly towards Axway's solutions.

Concerning businesses and their acquisition of IT solutions to cope with these developments, three major factors are often combined: 1.- the Company's need to grow through innovation and differentiation, for which digital transformation provides good leverage; 2.- cost optimisation through rationalisation, namely the consolidation of infrastructures (concentration of processing centres, virtualisation of servers, etc.); 3.- obligations in terms of compliance of all types, whether sectoral, legal, regulatory, national or international. Companies thus proceed with both the acquisition of new solutions and the replacement of existing ones.

The strength of Axway's Suite offering is that it enables companies to initially start on a project for a specific use and subsequently extend the use of the first product deployed and add other products from the Suite according to the needs and projects that arise. The advantage for companies is that they only deal with one supplier for governing the flows of data, and thereby reduce their total implementation and operating costs through the sharing of governance functions.

(4) Gartner, "Forecast: Public Cloud Services, Worldwide, 2011-2017, 4Q13 Update", by Ed Anderson, Venecia Liu, Andrew Frank, Susan Cournoyer, TJ Singh, Morgan Yeates, Cathy Tornbohm, Rajesh Kandaswamy, Jeff Roster, Dan Sommer, Joanne Correia, YannaDharmasthira, Hai Hong Swinehart, Tom Eid, Bianca Granetto, Chris Pang, Laurie Wurster, Chad Eschinger, Fabrizio Biscotti, Gregor Petri, Douglas Toombs, GianlucaTramacere, Dean Blackmore, Lai-Ling Lam, Jie Zhang, Alan Dayley and RuggeroContu, 26 December 2013. The Gartner Report described herein, (the "Gartner Report") represents data, research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner Inc. ("Gartner"), and are not representations of fact. Each Gartner Report is valid as of its original publication date (and not as of the date of this document) and the opinions expressed in the Gartner Report(s) are subject to change without notice.

2 HISTORY OF AXWAY

Significant events in the development of the Group's business activities

Key dates	Events
January 2001	Sopra's software infrastructure business hived off to Axway
April 2002	Acquisition of Viewlocity (Sweden)
January 2006	Acquisition of Cyclone Commerce (USA)
February 2007	Acquisition of the B2B software business of Atos (Germany)
September 2008	Acquisition of Tumbleweed (USA)
June 2011	Flotation on the NYSE Euronext market in Paris
November 2012	Acquisition of Vordel (Ireland)
September 2013	Acquisition of the assets of SCI in Brazil
January 2014	Acquisition of the assets of Information Gateway in Australia

2001-2010: Axway, a subsidiary of Sopra Group SA

Spin-off and European development

The name Axway emerged in January 2001 with the spin-off of the software infrastructure division of Sopra Group SA: the goal was to bring together, under the same company, the Group's infrastructure software (notably the "Rules of the Game" software and the CFT and InterPel Managed File Transfer tools) – setting them apart from the application software (banking, real estate and HR sectors) retained by Sopra. This separation remains a current practice in the software market.

During this period, the two main objectives were the following: industrialising software development activities and attaining a significant market position in Europe. Axway doubled its client numbers between 2001 and 2005, from 3,100 to 6,000. With the acquisition of Viewlocity in 2002, Axway stepped up its internationalisation. By the end of 2005, it was present in most European countries and even had its first premises in the US and Asia.

North American development and market leadership

The second stage in Axway's development was aimed at aligning the Company's geographical spread with the market, notably by significantly developing its business activities and presence in the US (accounting for over half of the market, while the share of Axway's revenue from the US was only 4% in 2005).

Another ambition during this period was for Axway to move into a leading position in certain specific market segments: those of Managed File Transfer (MFT) and Business-to-Business (B2B) integration. This objective was achieved as from 2009, with Axway in a leading position in these segments with the main market analysts.

This development and leading position were achieved through:

- the strategy based on Synchrony™ a comprehensive business interaction management platform;
- acquisitions:
  - **Cyclone Commerce** in 2006: Axway's Executive Management was transferred to the USA, and English became the Group's working language;
  - the **B2B software activities of Atos Origin** in Germany in 2007, boosting Axway into a leading position in the automobile sector;
  - **Tumbleweed** in 2008: this acquisition consolidated Axway's position on the North American market, giving it the green card it needed in order to be accepted by the major firms in the region.

Following this cycle of acquisitions, the US share of the Company's global revenue increased from 4% in 2005 to 30% in 2009. Along with this growth in revenue, there was a sharp increase in the Company's customer base (+300 new customers with Cyclone Commerce and +2,200 with Tumbleweed), including significant accounts in certain key sectors (banking and the main supply chain users such as manufacturing, retail, logistics, etc.), federal government and in particular the Department of Defense and tax authorities.

Since 2011: Axway, an independent software developer operating worldwide

Separation of Axway and Sopra Group

Having operated with a large degree of autonomy for several years, Axway acquired its own essential functions and resources to enable it to grow independently from Sopra Group SA:

- in terms of operational governance, the coordination and control of Axway's business is now under the supervision of specialised committees (Executive Committee, Distribution Monitoring Committee, Development Monitoring Committee, Functional Oversight Committee);
- Axway has its own business functions: Human Resources Department (with a core competency reference guide suited to the operations of a software developer); Finance and Administration Department (accounting, consolidation, management audit); Support Departments (Legal Department, Quality Assurance Department, Internal IT Resources and Systems Department).

2011 marked an important phase in the projects to consolidate Axway's positioning as a software developer:

- the culmination of the plan to separate the activities of Axway Software from the traditional activities of the Sopra Group was approved at the General Meeting of 8 June 2011, with Sopra Group SA retaining 26.27% of Axway;
- Axway's shares were listed on NYSE Euronext Paris on 14 June 2011 (code: AXW.PA);
- Axway gained full financial autonomy with respect to Sopra Group SA following the capital increase.

The digital revolution

The integration market, in which Axway has always operated, is undergoing major transformations brought about by the digital revolution: the cloud, mobility, the "Internet of Things", big data and social networks. Conventional integration technologies are no longer sufficient to address the host of new integration requirements stemming from the digital economy.

In this context, Axway is broadening its offering yet intensifying its focus: it is broadening its offering to deal with all the flows of data, in particular the new flows generated by this digital economy; at the same time, it is focusing its efforts on the value proposition of "governing the flows of data" and controlling all flows at the Company's borders.

The acquisition of **Vordel**, completed in November 2012, already fits into this objective. APIs are at the heart of cloud integration, mobile integration and ecosystem development. After B2B and B2C, APIs have created B2D (business to developer), *i.e.* a community of developers, who are no longer technicians but creators of business applications in a new economic model of monetized services and income sharing.

In 2013, Axway also acquired operations from its distributors in high-growth markets, *i.e.* Brazil and Australia. The acquisition of assets in Australia came into effect on 1 January 2014.

Over recent years, Axway has been investing in the creation of a comprehensive offering, the Axway 5 Suite, in readiness for the maturing of the market in all of these new uses. In 2013, numerous companies have launched into strategic thinking on mobile devices and the cloud (or connected objects), which will give rise to large-scale operations in the upcoming years.

3 AXWAY STRATEGY AND ACTIVITIES

3.1 General information

Axway is a publisher of enterprise software for governing flows of data, facilitating interactions within the value chains of medium and large commercial enterprises or governments. With revenue of €237.5 million at 31 December 2013, 1,783 employees, a strong presence in France, a firm position in the United States and Europe, and more than 11,000 customers in over 100 countries, Axway is one of the foremost suppliers of integrated solutions for governing data flows in the enterprise software market.

The enterprise software market has many suppliers and a wide variety of positions. According to major analyst firms, this market is divided into two segments: the infrastructure software or middleware market, which includes Axway, and applications software, which partly covers Sopra Group.

In the infrastructure software market, Axway is positioned in the market for integration solutions for the governance of data flows. The arrival of the digital economy is turning existing ecosystems upside-down and generating new and growing needs for integration, such as cloud integration and mobile integration, as well as the integration of smart objects, social networks and large volumes of "big data".

With its solid experience in Managed File Transfer (MFT) technologies, Business to Business (B2B) integration, and Application Programming Interface (API), Axway has developed unique know-how in the governance of data flows aimed, in particular, at controlling all data flows at the enterprise edge. The Company is well prepared to assist businesses in their digital strategy, one of the most significant challenges and transformations of the next few years.

Axway offers both product and service-based solutions. Axway recently invested in creating a software product in the form of a suite, Axway 5 Suite, which offers clients complete flexibility in terms of roll-out, at the best overall cost of ownership. This product offer can support major integration projects (known as "Tier 1", or top projects, such as the creation of a shared service centre or a central exchange hub concentrating interactions amongst numerous stakeholders) as well as one-time problems (such as connecting or securing the connection with a cloud or mobile application). The service offering enables us to assist clients in their data flow governance projects. It consists both of services related to the product offering and services related to data flow governance. It ranges from one-time assistance to full operation of the solution for the client and includes the cloud offering, combining product consumption in the form of services and a full range of operated services.

Axway focuses primarily on mid-sized to very large companies and on all industries, in particular, financial services, healthcare and pharmaceuticals, extended supply chain (manufacturers of goods, suppliers of transportation and logistics services, wholesalers and distributors) and the public sector. Axway's approach to these sectors is to specialise and put marketing efforts into context, attaching data flow governance to the drivers and challenges specific to each of these sectors. Axway has also established a global presence in order to assist its major international clients wherever they are. For the most part, Axway takes a direct approach to the market, relying on distributors in regions where the Company is not present; it also uses the driver of systems integrators to address major integration problems jointly.

Axway's main activity is software publishing and providing services to help businesses implement Axway solutions and integrate them into their existing systems. Software sales generate income from licences and maintenance, as well as income from services related to the software, which may be deployed on the premises or outsourced in the cloud in the form of on demand or SaaS (Software-as-a-Service) service level agreements. Maintenance and a portion of the services activity (multiyear agreements) provide considerable recurring income. In the services sector, lump-sum contracts may be entered into, but they represent a small portion of Axway's revenue. Moreover, the nature of Axway's offer, which is available both as a suite and in the form of individual products, enables additional sales in the installed base (cross-selling or up-selling), which further boosts Axway's commercial activity.

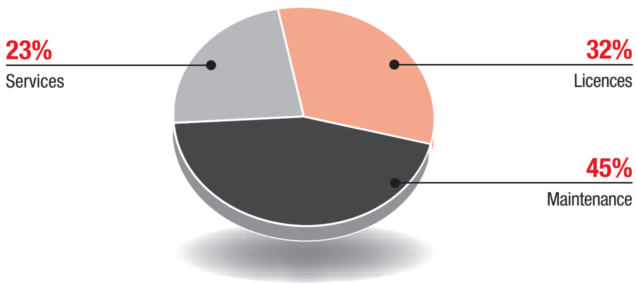
Axway's growth is due to its organic development and several successful acquisitions. With Viewlocity, Cyclone Commerce, the Atos B2B software business in Germany, Tumbleweed and Vordel, Axway has demonstrated its product integration ability, as well as its ability to earn employee loyalty and to grow its customer base. In 2013, Axway acquired the operations of its distributors in Brazil (SCI) and Australia (Information Gateway), giving itself an increased foothold in these steadily growing markets.

Finally, the Business Model that balances income from licenses, maintenance and services is a strong asset to ensure that Axway can safely weather economic uncertainties.

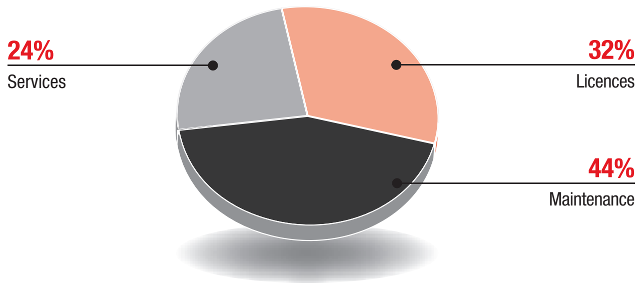
Key indicators for Axway's growth in recent years are:

Analysis by type of activity

Revenue in 2013 : 237 M€

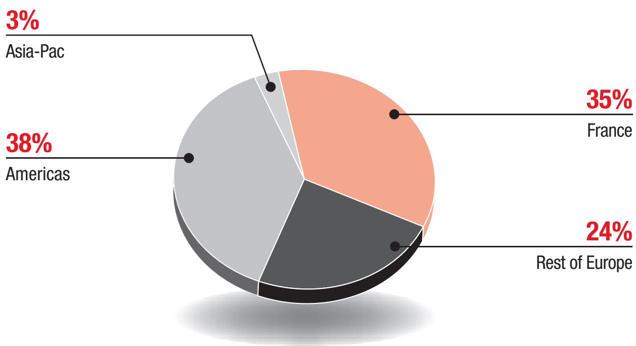


Revenue in 2012 : 224 M€

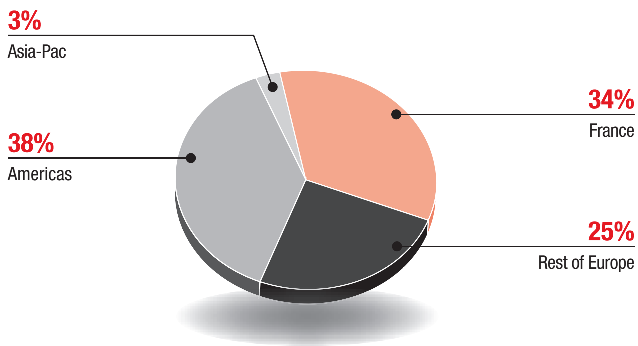


Analysis by location

Revenue in 2013 : 237 M€



Revenue in 2012 : 224 M€



3.2 Group strategy

Axway believes it is now recognised by technology analysts and Key Accounts as a world-class player in the enterprise software market and as a credible supplier of integration solutions for data flow governance. Moreover, Axway often serves a critical need because data flows underlie corporate processes and directly affect their operating efficiency. Axway also provides solutions for emerging and crucial challenges involving digital transformation. To succeed in the future, particularly in an environment with a number of big players in the market, Axway has focused its strategy on the following:

- offering a complete software suite to serve major integration projects. This strategy involves both the product and the marketing process:
  - in terms of the product, it means concentrating investments on the core of differentiation: governing data flows and developing the Axway 5 Suite with its documented reference implementations, corresponding

to typical deployment architectures, while also developing professional services to assist with data flow governance,

- in terms of marketing it means managing key accounts and improving the entire process from start to finish, from identifying upstream marketing opportunities to freeing up organisations focused on downstream clients (sales, services and support). Major integration projects are often carried out by systems integrators; that is why Axway plans to develop more and more alliances with this kind of partner;

- and to continue expanding the distribution network in order to penetrate major markets or markets with high growth potential. This strategy was behind the decision to buy out the operations of the Brazilian and Australian distributors in 2013;
- developing Axway's staff and culture. In 2013, Axway launched the first phase of the Axway culture programme with the slogan "I am Axway"; the second phase will be launched in 2014. This initiative is essential for bringing together the employees from several acquisitions into a common culture;
- conducting a targeted acquisitions policy to support organic growth and expanding the current system in terms of both geographical coverage and product offer. As you can see, whether it is the structure of the offer, the industrialisation of processes or the creation of the Axway culture, all aspects are taken into account in integrating the various components of new acquisitions.

As part of its growth plan, the Group aims to become part of the group of major international publishers with revenue of more than $500 million per year. This is one of the Group's objectives in the medium term.

3.3 Industry

3.3.1 Governing the flow of data

The digital revolution transforms everything: the society, the economy, the business… It is now part of everyone's day-to-day experience. In healthcare, medical devices report data which can be consulted by patients and professionals, who can then collaborate and share advises and practices. In utility, smart meters report data that are leveraged not only for billing purpose but also to allow people to compare and analyze their energy consumption against their neighbors and benefit from others 'experiences. In finance, the wallet becomes digital; clients combine channels to interact with their financial services providers, and they compare and share information, advices and practices before taking decisions. Retailers now face better and more informed customers, and they must integrate e-commerce in their business model. Hence the in-store experience is completely changed and must now consider the digital behaviors of the customers. This drives retailers to develop new competitive arms, such as real-time advertisements, coupons, discounts and games, leveraging the knowledge of the profile and the location of the consumer. In automotive, the connected cars provide a totally new driving experience, in many aspects: security, ecology, maintenance, insurance, traffic assistance… Examples go on and on, in the telecommunication industry, in the insurance industry, in the manufacturing industry, in the public sector, etc. Digitization even drives a change in ecosystems and business models, introducing new players and new trading practices, and it also changes the competitive landscape by offering business and consumers more options.

The impact on IT is huge. Considering the above examples, one can observe four phenomena. 1- Data proliferate, requiring increasingly demanding processing engines ("big data" and "Internet of Things"). 2- New generation mobile networks enable ubiquitous connected devices ("mobile"). 3- People can collaborate and participate to communities as never in the past ("social"). 4- This hyper-connectivity and hyper-activity require more and more computing power, and software consumption shifts from product to service ("cloud"). These four drivers arise concurrently and seriously challenge enterprise IT. On the vendor side, no one vendor can, by its own, embrace all these challenges: each one brings a partial response building on its assets and "DNA". Since inception, Axway has been helping enterprises governing their flows of data. The digital economy breaks up value chains and ecosystems, and decentralizes information systems and IT. As end points – the producers and consumers of data – continue to proliferate, integration is becoming increasingly complex, while expectations on usability and velocity have never been so high. Data flows are exploding. Gartner analysts predict: "By 2017, in large organisations at least 65% of new integration flows will be developed outside the control of IT departments. By 2018, more than 40% of large organisations will have established a hybrid integration platform. And, by 2018, the 10 largest B2B networks will have evolved into API networks"[(1)]. Under pressure from business divisions,

(1) *Gartner, "Predicts 2014: Nexus of Forces Drives Evolution of Integration Strategy," by Benoit J. Lheureux, Massimo Pezzini, Paolo Malinverno, Jess Thompson, Deborah R Wilson, 26 November 2013. The Gartner Report(s) described herein, (the "Gartner Report(s)") represent(s) data, research opinion or viewpoints published by Gartner Inc. ("Gartner") as part of a syndicated subscription service and are not representations of facts. Each Gartner Report is valid as of its original publication date (and not as of the date of this document) and the opinions expressed in the Gartner Report(s) are subject to change without notice.*

IT opens the enterprise edge, connecting people and applications to mobile, cloud, social networks and trading communities. The uncontrolled "spaghetti" of application integrations that occurred in the 80's is now occurring on the "edge". And enterprises face the challenge of keeping control of all the data flows that come in and out of the organizations, from anywhere (people, businesses, applications, devices, systems, etc.) by any means (files, messages, emails, portals, channels, structured and unstructured, etc.). Traditional approaches to integration are not enough anymore. "API" arises as the new integration paradigm.

What is an "API" (Application Programming Interface)? We all know what a "user interface" (UI) is. It is what allows a user to interact with an application (screen display, keyboard capture, mouse, touchscreen, etc.). Replace the "user" by an "application" (a software program), and you need an "API". An API allows an application to interact with another application and access the data behind it. Let's take an example. You want to buy goods online. You use the e-commerce application of the goods vendor, you place an order by keying in the requested data and you follow the steps that are proposed, until payment confirmation. Substitute now the user by an application. The interaction with the e-commerce application will take place through the exchange of data, in multiple steps, the same way it happens with a user. And if you look at what happens behind the scene, it is a whole network of actors which is put in action: the manufacturer of the goods, the payment service provider, the logistics service provider, etc. Data flows are hence the way to interface systems, devices, applications, businesses, and people. They can take the form of a file, a message, an email, a data payload sent over a channel (a protocol), structured or unstructured, compliant to an industry norm or in a free format… Data flows are the foundation of the digital economy, and the basis for any business interaction. They enable enterprise business processes and ecosystem value chains. They play a critical role in business operations.

Hence the importance for any business is to govern their flows of data. In their efforts to meet their business objectives (grow the business, optimize costs, assure compliance and improve operational efficiency), enterprises have invested recently more in their business processes, their portfolio of applications and the consolidation of their infrastructure (data centers, virtualization), but they have not yet paid enough attention to the management of their data flows, with the risk of an impediment in their growth strategies. What does Axway mean by "governing the flows of data"?

"Governing the flows of data" means:

- manage the community of all the stakeholders of the ecosystem;
- provide the knowledge and the visibility over all the data flows and the way in which they impact the business; and
- control and secure all data flows against the business requirements.

"Manage the community" of all the stakeholders of the ecosystem: it consists in on boarding interacting parties (applications, people, and businesses) in a timely and cost effective manner. The on boarding process can set enterprises apart with their "easy to do business with" experience.

"Provide the knowledge and the visibility" over all data flows: strange enough, very few businesses have the complete and up-to-date knowledge and visibility of all their data flows. With such knowledge and visibility, enterprises are better prepared for compliance (thanks to a guaranteed alignment and consistency between what's documented and what's executed, easing audits) and for change (through impact analysis).

"Control and secure" all data flows: business is satisfied because the participants in the ecosystem are authenticated and authorized, because policies are enforced to assure that SLAs and regulations are met, and because interactions are controlled and monitored from end to end.

Enterprises have not yet pulled all the benefits of this "governing the flows of data" opportunity. The digital economy revolution inflates the challenge. Innovators like Axway help enterprises embrace this fantastic economical and social challenge.

3.3.2 The market for integration solutions which govern flows of data

Enterprise business processes and ecosystem value chains require interactions between business entities. And most of the time, these business interactions are realized through the exchange of data between their IT systems and applications. Integration solutions enable such interactions between IT systems and applications, which were not always designed for that purpose. With the accelerated evolution of IT, such integration needs have grown up, from the "simple" exchange of files and messages (the early integration solutions referred to as Managed File Transfer and Message Oriented Middleware) to today's broader range of integration scenarios: B2B, social, mobile and cloud integration. This market has a strong persistence: new technologies seldom replace existing ones but remain in addition to them. From this accumulation of integration technologies a new need has emerged: the need for governance, *i.e.* to govern the flows of data.

With a strong track record in Managed File Transfer (MFT, the application and B2B integration through file exchange), B2B Integration (multi-enterprise integration, with structured and norms based data formats) and API Management (device, mobile, cloud, social integration, less structured but with the rising of many new standards), Axway has developed over the years a unique a range of competences and of solutions in governing the flows of data across and “at the edge” of the enterprise: it encompasses community management, identity and access management, service level agreement and policy enforcement, end-to-end visibility and analytics.

So Axway is acting in the market of “integration middleware” (a portion of the enterprise software market, divided into two categories: application and middleware). Among “integration middleware”, Axway is more particularly focused on the “application integration” (versus “data integration”) and on the “governance” of integration flows, whether with “on premise” products or with “cloud” services. Axway’s ability to address both the “on premise” and the “cloud” deployments sets it apart, providing “hybrid integration”, *i.e.* integration solutions which combine “ground” software and “cloud” services.

Axway estimates this market segment at 5 to 6 billion $ (source: Axway, 2013), with a CAGR over 5 years ranging between 5 and 7% (source: Axway, 2013). This growth results from an average between lower growth segments (MFT and B2B software) and higher growth segments (API and governance).

3.3.3 Trends

The integration solutions market remains strong because it addresses a problem whose scope is continually expanding. Integration problems will only increase and become more complex with the fragmentation of value chains and the development of the digital economy. This market is constantly, and in phases, driven by the trend towards: convergence, consolidation and innovation. Historic drivers – the need to integrate applications making use of different technologies, aging in different generations, from different enterprises – are joined by recent drivers that are impacting the entire software industry: cloud computing, big data, mobility, social networks, and the Internet of Things.

Convergence

For years now, integration technologies get combined: MFT & B2B, SOA & API, ESB & BPM. This puts Axway in a unique position, as it offers all these technologies and focuses on the related governance problems that it raises.

Cloud computing

Cloud computing provides access, by any client and from anywhere, to shared IT resources perceived as always available and infinitely scalable, and just like any utility the customer only pays according to its actual use. Enterprises increasingly use applications in the cloud (“SaaS”, Software-as-a-Service), which must also be integrated with existing applications. They also make more and more use of “managed services”, in particular in multi-enterprise interactions where the cloud progressively replaces Value Added Networks (VAN). We also see more and more service brokers emerging in the cloud.

“Big data”

The digital explosion produces a massive amount of data and gigantic data traffic. This phenomenon feeds itself, as the analysis of the circulating data produces itself a large amount of data which must also be processed.

Social networks

The growth of social networks contributed to the development of communities, private as well as business. Social networks strongly impact multi-enterprise interactions, as they help promote and moderate an ecosystem community and play a key role in the on boarding process of all the stakeholders of the ecosystem.

Mobile

The population equipment rate in mobile devices (smartphones, tablets) follows an impressive growth (half of the worldwide population is now equipped), forcing enterprises to build a mobile strategy for their employees (BYOD, “Bring Your Own Device”, or CYOD “Choose Your Own Device”/COPE “Corporate Owned, Personally Enabled”), where private and business use of the mobile is less differentiated. Hence the corresponding growth of mobile applications and related application stores. Enterprises must enable the secure integration of these devices and applications with their information systems, but also open new services to customers by leveraging the capabilities of their information systems, services which can even be monetized.

The Internet of Things

From now on, any object is possibly communicating: cars, medical devices, home accessories, consumer goods, etc. Whereas this possibility opens a brand new ocean of opportunities yet to be explored, it also is expected to overwhelm many IT systems since simply moving data around is just the tip of the iceberg. On the technology side, reliable data performance will be key, as will real-time refresh of the data, how the data will be used, and pattern recognition through data analytics. This will give rise to new standards, and to many new data flows to move, integrate, and govern.

3.4 Customers and target markets

3.4.1 Industry sectors

Most Axway products are horizontal and deliver value to enterprises of any industry sector. Some Axway solutions are more targeted to an industry or to a business function within an enterprise. In any case, Axway takes to market solutions, combining products and services, and specializes and contextualizes the solution relevant to common business cases in each industry.

Axway governs the flows of data in the **financial services** industry (banking, insurance, securities and capital markets, market infrastructures, regulators and central banks). Axway manages data flows between banking applications (on many computing environments), between banks, between the banks and their customers, between banks and market infrastructures and between banks and regulators. Axway developed more specific payment integration and accounting integration solutions. Regulatory compliance, omni-channel customer service, with the suppression of the channel silos and the development of customer self-service, and infrastructure consolidation are typical drivers which push bank to change and improve the way in which they govern their data flows.

Axway governs the flows of data in the **healthcare** industry (pharmaceutical and life sciences industries, healthcare providers, health insurance and payers). In the upstream side of this ecosystem (drug manufacturers, laboratories, wholesalers, pharmacies, etc.), regulatory requirements, clinical trials and drug traceability, for example, generate large quantities of data flows: this involves fighting counterfeiting or parallel trafficking and protecting patients, or for the manufacturer, protecting its brand. In the downstream side of this ecosystem (healthcare services, hospitals, public and private health insurance and payers, etc.), it is the exchange or sharing of medical data, or reimbursement of healthcare expenses, which generate many data flows. Health care efficiency, the financial balance of the overall health system, and the fight against frauds, are the main drivers for investments. The evolution of the patient experience, with self-service and access to medical records and services from a mobile, is also a strong driver for investments.

Axway governs the flows of data in the **automotive** industry (car manufacturers, contract manufacturers and first tier suppliers, suppliers' networks, aftermarket or dealership networks). In this ecosystem, Axway equips mostly manufacturers and suppliers. The data flows in this industry are driven by evolving trends such as the green car, the connected car, the electric or hybrid car, the "car as a service", fleet management and car sharing, and by initiatives like telematics, full digital product and process management, international flows and related logistics, supplier collaboration, engineering collaboration, etc.

Axway governs flows of data in the **public sector**, mostly within and between central or federal administrations. Single window projects, new electronic government central gate services, large public rationalization projects to cut costs, consolidate infrastructures, and the sharing of information amongst public administrations, and digital identity initiatives are typical drivers where Axway plays a key role in the public sector.

Axway governs flows of data in the extended **supply chain** ecosystems. For **logistics service providers**, there cannot be goods flows without data flows, data flows are even key in the quality of the services delivered to the customers, and connectivity platforms and the Internet of Things will change more and more the way LSP operate. In the **manufacturing industry,** whether discrete or process manufacturers face the digital transformation in their core business. Isn't the 3D printer the emblem of the revolution goods manufacturers could undergo? For **retailers**, data flows power on time inventory replenishment, secure customer personal data, and enable a new consumer experience which is now twofold: in store and Internet.

Data flows became key in the completely reshaped **energy** ecosystems between producers, transporters and distributors and smart grids generate a lot of new data flows; etc. For **telecommunication** service providers, data flows are at the heart of the service delivery platforms. This is a sample of examples where Axway helps businesses governing their flows of data.

3.4.2 Geographical markets and main access channels

Axway maintains a global presence strongest in North America (and also now a direct presence in Brazil), Western Europe (with a strong presence in France) and Asia-Pacific (stronger presence in Australia/New Zealand). For the most part, Axway makes use of a direct approach in these geographical markets, with an own local presence and an ability to serve customers locally. This allows Axway to support its global customers in their global projects. In 2013, Axway has increased its presence in Brazil and Australia, by acquiring the business operations of its distributors to better serve its customers and develop more these higher growth geographies. When Axway does not benefit from a local presence in a geography, it relies on distributors, mostly in the other high growth market regions. In its strategy to address large integration projects for large international customers, Axway also develops an alliance strategy with system integrators, which can vary according to the geography or according to the industry.

Depending on location and industry, some products have been deployed more than others: this is due to Axway's history and its acquisitions. This situation gives Axway significant potential for business growth in its installed base, through cross-selling complementary modules and functions, providing existing customers with additional value by consolidating their infrastructures and their suppliers.

3.5 Competitive position

Axway distinguishes itself from the rest of the integration market by maintaining a singular focus on governing the flow of data. The ability to effectively "govern the flow of data" has become ever more crucial as data flows increasingly extend beyond the enterprise edge (*i.e.*, beyond the firewall) to social networks, cloud and mobile and connected devices. This gives rise to new data flows and new standards on which Axway rapidly positioned itself (such as the API flows, as an example).

3.5.1 Competitive landscape

The market of integration solutions is composed of three types of players in the enterprise software and cloud services market:

- **application infrastructure generalists** which offer portfolio extends far beyond integration solutions. IBM and Oracle supply databases, operating systems and middleware. Oracle and SAP have a significant portfolio of applications, and their integration solutions are often used for the purpose of integrating these applications between themselves or with the enterprise information in which they are deployed;
- **integration specialists**, such as Axway. One can find specialists of:
  - data integration solutions, such as Informatica;
  - internal application integration and SOA governance like Tibco and Software AG;
  - multi-enterprise integration such as OpenText (coming rather from document workflow and content management, OpenText recently acquired EasyLink and GXS);
- **niche players**, either still independent or overtaken by a generalist player for a point offer. We can mention for example:
  - API Management solutions: Layer7 acquired by CA. Some API Management solutions are only cloud, target more what we refer to as "Open API" (as opposed to 'Enterprise API"), and focus on the building of an open developer community (Apigee, Mashery acquired by Intel, Apiphany acquired by Microsoft);
  - MFT and/or B2B solutions: Seeburger, Ipswitch, etc.

The market of traditional integration solutions has undergone a consolidation wave until 2011. The market of API management has undergone an extremely rapid consolidation phase in 2012 and 2013. Axway has also contributed to the market's consolidation (see Axway's history in Chapter 1, Section 2).

3.5.2 Competitive differentiation

The Axway offer differentiates relative to competition through a unique value proposition:

- the governance of data flows that extend across the enterprise and increasingly beyond the edge; and
- a convergent or integrated approach to tier 1 integration projects.

Governing the flow of data to the edge of the enterprise

CIOs and IT departments face today the opening of the enterprise edge to social networks, mobility and cloud, and struggle to keep it under control. After the wave of internal application integration and SOA governance, the integration battle has now shifted on the edge of the enterprise, where governance is more complex, because facing a world which is more open, more heterogeneous and more extended. However, this edge governance is where Axway has built a solid experience with MFT and B2B: managing identities and access rights of interacting parties, enforcing policies on data flows, managing communities of business partners, managing a repository of data flows, and providing end-to-end visibility and analytics, all this is not new to Axway. The advent of APIs confirms a new integration paradigm, less structured, more flexible, more agile and more usable. The breadth of the Axway offer, from the standpoint of the supported integration scenarios as well as from the standpoint of the supported governance functions, makes of Axway a major player and a strategic partner for enterprises.

A convergent and integrated approach to Tier 1 integration projects

Nowadays, very few integration projects regard only one type of data flows: often, they involve a combination of MFT, B2B and/or API data flows, and more and more, a whole integrated approach is needed to manage these Tier 1 integration projects, combining products, combining products and services, and combining software products and cloud services (what we can refer to as “hybrid” integration). Axway has developed a core DNA and expertise on such multi-pattern integration projects that include MFT, B2B and/or API and a unique know how in governing these data flows with a more consistent, convergent and integrated manner. This difference is reflected in the Axway 5 Suite and the documented reference implementations, which leverage years of experience in such demanding large customer projects.

3.6 Offer

3.6.1 Global offer

The Axway offer consists of products and services.

Products

The Axway product offering is a suite of software products called “The Axway 5 Suite”. Single products address point needs, whereas the Suite meets the requirements of large integration projects (referred to as “tier 1” projects). This flexibility of the offering allows also customers to start locally on a rather limited and specific project scope, and to extend later the use of the Suite as other problems need solving. This way, customers leverage their investments through the reuse and the extension of the use of already deployed products of the Suite.

The products of the Suite can be classified according to the category of integration problems they solve:

- **data transfer** products: the secure and governed exchange of data between people, applications, enterprises or systems, where data flows are mostly in the form of files;
- **multi-enterprise** integration products: the governance of data flows between enterprises and applications, where data flows are usually structured and compliant to industry norms (such as EDI);
- **API management** products: the interface ce of information system applications with other internal or external applications, such as mobile or cloud applications, and the governance of the related data flows at the edge of the enterprise.

  This governance can consist in validating the identities of the interacting parties (and for example federate identities), or control the quality of service relative to an API (and for example balance capacity amongst several requesters), or assure the expected service level agreement (through the enforcement of rules which represent theses agreements).

  Another aspect of this governance is the enablement of a community of developers who need to use theses APIs to build applications (whether mobile or not).

A subset of the products of the Suite is common to all these integration scenarios. We refer to them as **governance** products. They provide:

- a data flow repository (configuration and deployment);
- authentication and authorization (identity and access management);
- policy management (security policies, control policies, etc.);
- the management of communities of partners (and the whole on boarding process);
- visibility and data flow analytics, whether business or technical;
- the capability to customize these governance functions to the specific organizations, processes and systems of each enterprise, through the creation of custom workflows and user interface ces.

Axway also delivers the catalog of the Axway 5 Suite APIs, put at the disposal of developers and exposed in a portal together with their documentation, allowing any enterprise to take advantage and leverage the capabilities of the Suite.

Services

As a software vendor, Axway offers services relative to its product offering: maintenance and support (tightly linked to the software license), upstream consulting such as "business case assessment" or "solution architecture recommendation", training, installation and configuration, integration within the customer information system, migration from the existing solution, and assistance in the implementation of the solution.

As a specialist in "governing the flows of data", Axway has also developed a services offering relative to this competence: rationalization of exchange infrastructures, management of a data flow repository, configuration and deployment of new data flows or management of configuration changes, partner management (from on boarding to the management of the changes in the community), etc.

For most of its professional services, Axway offers its customers different commitment levels, for example:

- for support, Axway offers four levels of commitment, from electronic support *via* a portal (eSupport) to customized support with a quick response commitment and assignment of dedicated staff (Mission Critical Support);
- for product implementation, installation and configuration, software implementation and maintenance, and migration, Axway provides experienced staff or makes a project-based fixed deadline and budget commitment.

There are two types of professional services:

- one-time services – Axway's involvement at a specific time in the life of the customer's project: product training, installation and configuration, for example, are often of this nature;
- recurring or on-going services, also called "managed services", in which Axway makes commits the engagement of staff over a period of time in return for a durable agreement, with responsibility transferred to Axway from the customer: for example, Third- Party Application Maintenance, operation support, upgrade to new versions, management of changes, incidents, etc., and sometimes full operation of the system.

The cloud offering of Axway, fully part of the services offering, consists of the delivery of products and services in the form of "managed services", either as a private cloud (one instance dedicated to a customer) or as public cloud (shared service amongst several customers with the guarantee of isolation). The Axway cloud offering comprises the following modules:

- MFT service: for the exchange of data and files between members of a business community;
- B2B service: for the electronic data interchange (EDI) with a supplier network or a business community;
- API service: for the integration of mobile and cloud applications, or for the provisioning of enterprise APIs to a business community or a developer community;
- vertical applications: supplier integration in the automotive sector, Track and Trace services in the pharmaceutical industry, regulatory compliance applications in the healthcare industry (declarations to regulators, sich as the declaration of controlled substances, etc.), etc.

The cloud is particularly suited to the following situations where Axway stands out:

- the brokering of multi-enterprise interactions;
- hybrid integration, combining integration solutions on premise and in the cloud;
- the brokering of mobile and cloud integration (many mobile integration flows go through the cloud, especially the interactions with connected objects).

3.6.2 Innovation

Since inception, Axway has demonstrated a continuous and sustained level of Research and Development investment, equal to or higher than the industry average. Axway is engaged in international organizations defining the norms and standards (horizontal: OASIS, OMG,… and vertical: GS1, Odette,…), and organizes its own market and technology intelligence.

Axway invests mainly in the following area:

- the heart of its differentiation: governing the flows of data;
- the anticipated trends of the market, mentioned in 3.3.3, and in particular some usages related to mobile, cloud, Internet of Things and big data.

4 RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES

The Group has consistently spread its research and development efforts across its entire software portfolio. They amount to the following:

(in millions of euros)	2013	2012	2011
Research & Development	33.6	32.5	32.1

These sums relate to:

- ongoing maintenance work;
- the convergence of the different technologies used;
- the release of new versions; and
- work on the IT architecture of the Axway 5 Suite.

These R&D expenses, which relate mainly to the direct cost of software development staff, have been recognised in full as operating expenses.

The Group has been granted 58 patents, and has 9 pending. These patents were mainly filed in the USA. A breakdown is shown below:

	Managed File Transfer (MFT)	MFT – Doc Convert	MFT – Enrolment	Private URL	Messaging Firewall	Crypto-Security Firewall	Anti-Spam	Certificate Authority
Granted	17	5	4	3	15	16	4	7
Pending	2	0	2	0	5	2	2	0

These patents mainly relate to the secure data exchange segment, and the Company's business as whole is not especially dependent on a particular patent or technology (see Chapter 1, Section 3.6.1).

The Company's degree of dependence on patents and licences is covered in Chapter 3, Sections 5.1.2 to 5.1.6 and Section 5.2.2.

5 INVESTMENTS IN 2013

5.1 Investment policy

Software development is not a sector that requires significant investment to be made on a routine basis. Axway regularly invests in IT equipment and office furniture, fixtures and fittings. Moreover, the Group's R&D expenses are recognised as operating expenses, and not as investments. As a result, Axway's main investments comprise acquisitions or purchases of shareholdings or intangible assets, particularly with a view to gaining new client bases and software, entering new markets or consolidating its existing presence in a certain region.

At the date of this Registration Document, the Company's management bodies have not made any firm commitments regarding significant investment.

5.2 Main acquisitions

In November 2012, Axway acquired Vordel Ireland and its subsidiaries. The cost of this acquisition amounted to €42.8 million (see Note 15 of Chapter 4). This acquisition strengthens Axway's market position in application interfacing and identity management solutions, thereby enabling it to step into a leading position in this emerging and promising market segment. API management rounds off Axway's MFT, B2B and integration offer. Clients will thus have access to a single solution to control all data flows at the Company's borders and manage these data flows by integrating access to the cloud and mobile devices.

Founded in 1999 in Dublin (Ireland), Vordel had 55 employees at the time of its acquisition and 2011 revenue amounting to over €8 million, up 30% on 2010.

The estimation of Vordel's 2012 revenue, in view of its integration within the Axway Group since October 2012, is approximately €12 million, up 50% on 2011.

Vordel's technology is deployed in over 200 companies in the US, the UK, continental Europe, Latin America and Asia-Pacific.

5.3 Research & Development

The Group continued its R&D efforts in 2013 and allocated €33.6 million (versus €32.5 million in 2012) to develop, improve and expand its software solutions.

These R&D expenses, which relate mainly to the direct cost of staff dedicated to developing Axway Software's software packages and solutions, have been recognised in full as operating expenses (see Section 3.6.2 of Chapter 1).

5.4 Facilities

A total of €2.5 million was invested in infrastructure and technical facilities in 2013, compared with €3.5 million in 2012 (see Note 17 of Chapter 4).

These investments break down as follows:

- furniture, fixtures and fittings: €0.9 million;
- IT equipment: €1.6 million.

Further information is presented on property, plant and equipment and intangible assets, as well as changes, in Notes 16 and 17 (Chapter 4) to the 2013 consolidated financial statements.

6 KEY FIGURES

6.1 Financial summary

(in millions of euros)	2013	2012	2011
Revenue	237.5	224.3	217.2
EBITDA	36.1	36.9	34.3
Operating profit on business activity	37.5	35.0	35.3
As % of revenue	*15.8%*	*15.6%*	*16.3%*
Profit from recurring operations	32.4	31.7	33.3
As % of revenue	*13.7%*	*14.1%*	*15.3%*
Operating profit	27.2	28.7	29.3
As % of revenue	*11.4%*	*12.8%*	*13.5%*
Net profit - Group share	35.6	24.7	21.5
As % of revenue	*15.0%*	*11.0%*	*9.9%*
Cash and cash equivalents	49.2	35.7	23.8
Total assets	392.0	377.0	304.5
Total non-current assets	255.9	252.3	209.2
Net debt (cash)	-11.2	6.8	-21.3
Shareholders' equity - Group share	258.4	234.0	213.4
Minority interests	0.0	0.0	0.0
Number of shares at 31 December	20,465,177	20,321,038	20,150,641
Basic earnings per share *(in euros)*	1.75	1.22	1.20
Diluted earnings per share *(in euros)*	1.72	1.21	1.20
Net dividend per share *(in euros)*	0.40(1)	0.35	0.25
Staff at 31 December	1,783	1,774	1,755

(1) Amount proposed to the General Shareholders' Meeting (4 June 2014).

6.2 Revenue by activity

(in millions of euros)	2013	2012 Reported	2012 Pro forma(1)	Total growth	Organic growth(1)
Licences	75.6	71.4	75.4	5.8%	0.3%
Maintenance	106.3	98.2	98.2	8.3%	8.2%
Services	55.6	54.7	55.4	1.7%	0.4%
TOTAL	**237.5**	**224.3**	**229.0**	**5.9%**	**3.7%**

(1) At constant exchange rates and scope of consolidation.

(in millions of euros)	2012	2011 Reported	2011 Pro forma(1)	Total growth	Organic growth(1)
Licences	71.4	77.8	84.0	-8.1%	-15.0%
Maintenance	98.2	85.0	88.2	15.5%	11.4%
Services	54.7	54.4	55.7	0.4%	-1.8%
TOTAL	**224.3**	**217.2**	**227.9**	**3.3%**	**-1.6%**

(1) At constant exchange rates and scope of consolidation.

6.3 Revenue by region

(in millions of euros)	**2013**	**2012 Reported**	**2012 Pro forma[1]**	**Total growth**	**Organic growth[1]**
France	82.5	75.4	76.2	9.4%	8.4%
Rest of Europe	57.6	55.6	58.4	3.6%	-1.4%
Americas	90.7	86.5	87.8	4.8%	3.3%
Asia/Pacific	6.7	6.8	6.6	-0.6%	2.0%
TOTAL	**237.5**	**224.3**	**229.0**	**5.9%**	**3.7%**

(1) At constant exchange rates and scope of consolidation

(in millions of euros)	**2012**	**2011 Reported**	***Pro forma*[1] 2011**	**Total growth**	**Organic growth[1]**
France	75.4	82.0	82.0	-8.0%	-8.0%
Rest of Europe	55.6	53.0	56.5	4.9%	-1.6%
Americas	86.5	76.7	83.1	12.8%	4.1%
Asia/Pacific	6.8	5.5	6.1	24.2%	10.3%
TOTAL	**224.3**	**217.2**	**227.9**	**3.3%**	**-1.6%**

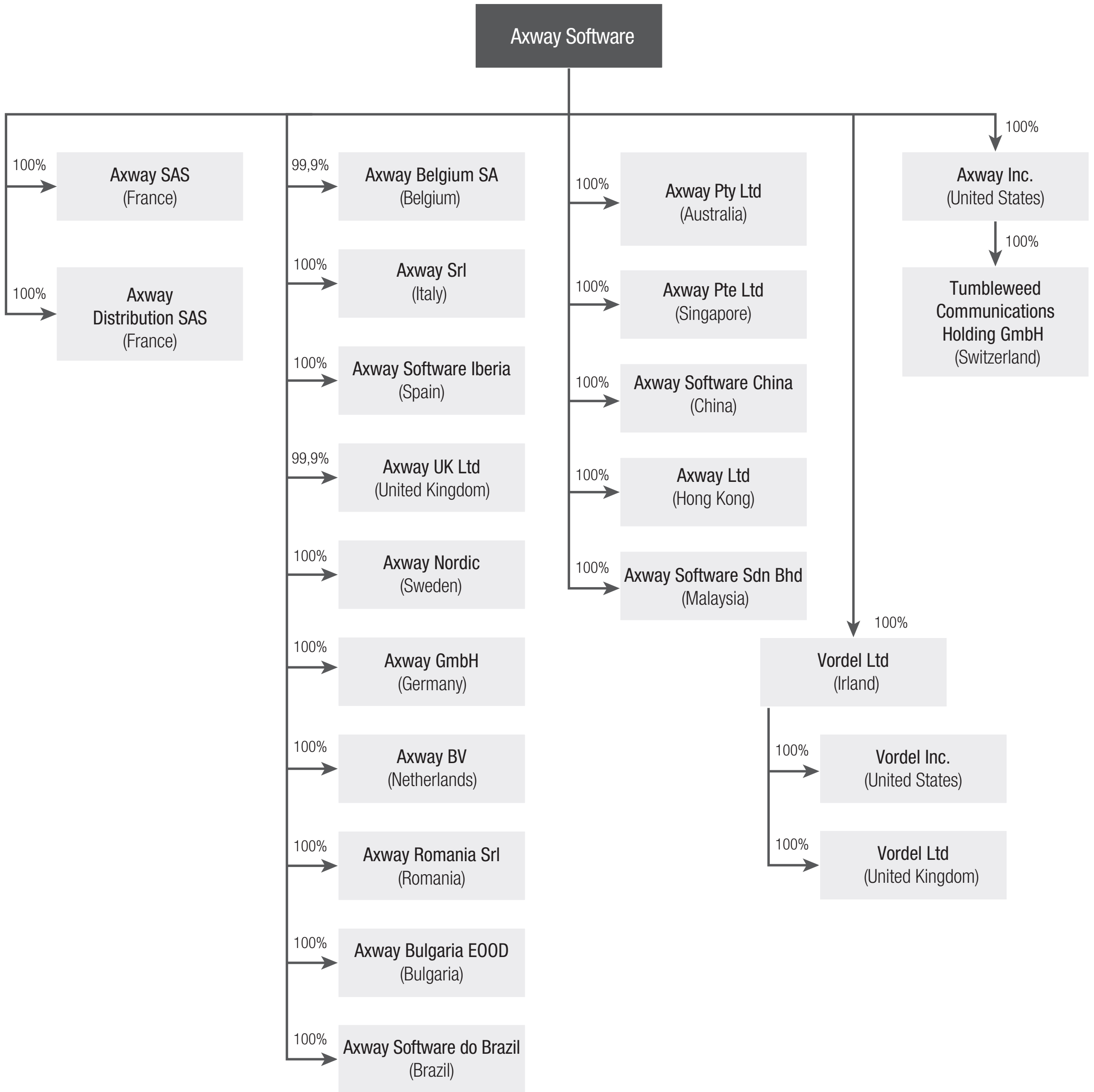
(1) At constant exchange rates and scope of consolidation

6.4 Comparison of the years ended 31 December 2013, 2012 and 2011

(in thousands of euros)	2013	2012	2011
Revenue			
Licences	75,583	71,435	77,762
Maintenance	106,348	98,205	85,037
Sub-total licences and maintenance	**181,931**	**169,640**	**162,799**
Services	55,613	54,680	54,445
TOTAL REVENUE	**237,544**	**224,320**	**217,244**
Cost of sales			
Licences and maintenance	20,721	20,653	19,929
Services	51,407	51,070	49,285
TOTAL COST OF SALES	**72,128**	**71,723**	**69,214**
Gross profit	**165,416**	**152,597**	**148,030**
Operating expenses			
Sales costs	70,763	64,077	61,528
Research and development costs	33,636	32,508	32,079
General and administrative costs	23,549	21,046	19,120
TOTAL OPERATING EXPENSES	**127,948**	**117,631**	**112,727**
Operating profit on business activity	**37,468**	**34,966**	**35,303**
As % of revenue	15.8%	15.6%	16.3%
Expenses related to stock options	-1,352	-1,147	-146
Amortisation of intangible assets acquired	-3,679	-2,130	-1,858
Profit from recurring operations	**32,437**	**31,689**	**33,299**
As % of revenue	13.7%	14.1%	15.3%
Other income and expense	-5,271	-2,940	-3,967
Operating profit	**27,166**	**28,750**	**29,332**
Financial income and expense	-1,330	-114	-2,667
Tax expense	-9,759	-3,976	-5,208
Net profit	**35,595**	**24,660**	**21,457**

7 SIMPLIFIED GROUP STRUCTURE AT 31 DECEMBER 2013

7.1 Main subsidiaries



7.2 Place of Axway Software SA within the Axway Group

The Group's parent company Axway Software SA directly holds all of the companies in the Group. In France, the products are marketed directly by Axway Software; they are marketed by its subsidiaries *via* distribution agreements in the countries where the subsidiaries mentioned in Section 7.1 are based.

The CEO of Axway Software also acts as CEO of all Group subsidiaries, except in countries where local laws do not allow a non-tax-resident to hold such an office.

Axway Software SA acts as a holding company, providing support to the Group through the financial services' cash management agreement and the supply of IT resources to subsidiaries. Intra-group and related-party financial flows are mentioned in Chapter 2, Section 3 "Regulated Agreements" and on page 174 of this Registration Document.

The main assets relating to intellectual property, such as local, community and/or international brands, are mostly held by Axway Software SA. Certain intellectual property rights are held by the United States, Germany and Ireland.

8 GROUP ORGANISATION

Axway's governance structure consists of a Chairman, a Chief Executive Officer and a Board of Directors.

This organisational structure is supported by an ongoing operational and functional structure as well as temporary structures for the management of particular businesses and projects.

8.1 Ongoing structure

The Group's ongoing structure comprises a management body, an organisation based on the main operating functions and functional structures.

8.1.1 Executive Management

Executive Management comprises the Chairman, the Chief Executive Officer and the Executive Committee (AxCom).

AxCom comprises the Chief Executive Officer, the Heads of the major operating entities and the Heads of the functional structures.

The members of AxCom are responsible for the development of strategy and supervise organisation and internal audit, as well as major cross-functional initiatives.

8.1.2 The Board of Directors

The Company's Board of Directors has nine members (including five independent directors), and elected Pierre Pasquier as Chairman at its meeting on 9 May 2011. Information on the Board's organisation and working procedures is given in Chapter 2, Section 1 of this Registration Document.

8.1.3 Operational departments

These are the entities that make up Axway's value chain and participate in developing, producing and selling Axway's products and services. The operational departments are:

- the Marketing Department, which carries out upstream strategic analysis (markets, competition) and processes involved in bringing products and services to the market;
- the Group Product Management and R&D Departments, which are in charge of the development and maintenance of products and their subsequent upgrade;
- the Global Customer Services Department which provides clients with telephone assistance and support, and the Professional Services teams, who support clients in installing and implementing the solutions sold and provide assistance in using them;
- the Sales Department, which consists of the Group's software sales teams.

These global departments have regional or national structures below them:

- regional marketing operations (EMEA, North America, APAC);
- development and support centres (France, North America, Romania, Bulgaria and India);
- sales subsidiaries (sales and services in eight countries in Europe, the Americas and Asia).

This organisation ensures that strategies and processes are consistent and harmonised, while providing the necessary proximity to clients and markets.

Each department is allocated resources and assigned budget targets, which it is then responsible for meeting. Progress towards the achievement of targets is assessed on a monthly basis, with weekly control points for sales and services and monitoring of major client accounts.

National sales subsidiaries are responsible for managing local clients: sales relationships, invoicing and debt collection. These subsidiaries benefit from the support of cross-functional programmes organised at Group level, which are aimed at coordinating the operational activities relating to certain client groups (sector-based approaches, key account approaches) or products/services (B2B programme, MailGate programme, AI Suite programme).

8.1.4 Functional structures

Functional departments (Corporate Secretariat, Finance, Logistics, Human Resources Management, Communication, Information System Resources, Internal Information Systems, Legal Affairs) and the Operations Department are centralised for the entire Group. They contribute to overall Group cohesiveness, transmit and ensure commitment to the Group's core values, serve the operational entities and report directly to Executive Management. The functional capacity of international subsidiaries is strictly limited to the local business environment.

Functional structures standardise and propose management rules (information system resources, IT systems, financial reporting, etc.), support and render services on behalf of operational units and monitor the application of strategies and rules.

In this manner, they contribute to overall supervision and enable the operational entities to focus on business.

Their direct accountability to Executive Management ensures that the entire Group functions smoothly.

8.2 Temporary structures: businesses and projects

The Group's organisation must retain flexibility in order to adapt to changes in its markets and ensure the successful completion of projects.

Projects are handled by temporary teams and are supervised:

- within a national sales unit; or
- under the responsibility of a management subsidiary, acting in concert with other entities (another sales entity for local commercial support, or another department, for example, for expert product assistance); or
- under the coordination of a Key Client Account Manager.

Each project must be organised in order to meet a fundamental objective: client service, financial success and contribution to the overall growth of the Group.

The main development programmes for the various product lines use resources and expertise from different development centres, under the responsibility of a Program Manager.

9 CORPORATE SOCIAL RESPONSIBILITY

For the European Commission, corporate social responsibility (CRS) is one of the commitments required to stimulate European growth. A company can only achieve sustainable success if the society in which it operates is successful.

Axway's main CSR challenges are linked to its activities and IT challenges. For IT companies, CSR firstly translates as the growing need for eco-efficient IT: low consumption of energy and raw materials, which also need to be easily recyclable.

The concern for long-term viability and corporate social responsibility to contribute to sustainable development is a natural extension of Axway's values. The desire to manage its business rigorously and to turn these values into action has led the Group to adopt "virtuous" forms of behaviour in the social, environmental and societal spheres.

Axway Software's sustainable development policy covers all actions contributing to the Group's business development:

- respecting employees through appropriate working conditions, developing employees' skills and employability, non-discrimination and adherence to principles of fairness;
- providing outstanding service to clients thanks to a focus on excellence in the accomplishment of day-to-day responsibilities;
- safeguarding the environment by limiting pollution and the depletion of natural resources;
- treating suppliers transparently and fairly in terms of relationships and working methods.

Axway Software's approach aims to reconcile efficiency with social fairness and respect for the environment. It is a continuous improvement process.

In 2013, corporate social and environmental responsibility was still a new issue. Axway's approach in this area aims to reconcile efficiency with social fairness and respect for the environment. It is a continuous improvement process. To this effect, we have set up a CSR committee which steers this new process based on Axway's values.

9.1 Employee information

Axway's Human Resources policy underwent a major shift in 2013.

This shift was structured around several concerns: the Company's values, the management of performance, the creation of the Axway university and the signing of a number of agreements with staff representatives.

Axway wished to strengthen its corporate culture by building a development programme based on the common values shared by all Axway employees, irrespective of their company or country of origin.

The "I am Axway" programme was passed on to all Group managers.

To this effect, 22 two-day training sessions were attended by 450 managers.

These sessions took place in all countries where Axway operates. Each one was attended by people from diverse origins and the Company's various departments.

9.1.1 Axway's values

- **Team Focus**

  Axway's success depends on collective performance. Axway's employees are therefore expected to put collective interest before self-interest. They must keep in mind that the team is Axway as a whole, not just close colleagues.
- **Integrity**

  Knowing that each employee is personally acting in everyone's interest is indispensable to achieving Axway's common objective, it is the foundation of Integrity. Fulfilling one's role in collective performance means honouring one's commitments to team members and colleagues, being honest and transparent, and building a relationship of trust and closeness day after day.
- **Passion for the Customer Experience**

  Integrity involves acting in the same way towards our clients as with our team and partners. Demonstrating at every stage our Passion for the Customer Experience means putting ourselves in our clients' shoes to identify and take account of their concerns and objectives, showing dedication and transparency, honouring our commitments, building trust and maintaining a privileged relationship with each of them.

- **Expertise and Excellence**

  Our recognised IT expertise, the personalisation of our services and the close relationship we build with our clients make the difference on the market. Our Expertise and Excellence, which make every client experience unique, are our DNA and underpin the added value of our services, which incites clients to choose Axway. Every employee's actions must reflect our IT expertise, our constant innovation and the importance we give to our relations with our client, their trust, and compliance with our commitments.

- **Empowerment and Accountability**

  Being our clients' partners to meet their needs at the highest possible level implies empowering team members and making them accountable. Each of us is accountable for the role given to us and the trust placed in us. Being accountable means acting with our team members and accounting for our activities with the same level of excellence and high standards as we expect from others, in the common interest. Succeeding together also means trusting other team members and empowering them so they can contribute to our collective performance.

By returning to the principle of **Team Focus**, the virtuous circle of Axway's values is complete, thus incorporating the behaviours we choose to adopt to convey our values in order to move forward.

Concerning our values, the "I am Axway" programme also defines what the Company expects from its managers and the missions given to each of them.

- **Embrace to the challenge**

  A problem, whatever it may be, never resolves itself on its own. Axway's managers must thus tackle the challenges that arise day after day.

- **Creating a link between vision and execution**

  To achieve this, it is primordial to establish a strong link between strategic vision and the implementation of the action plan. This is what is expected of Axway's managers.

- **Communicate with Impact**

  One of the main missions entrusted to Axway's managers is to communicate in an impactful way. This means passing on the Executive Management's message, irrespective of our position within the hierarchy, and whatever our mission.

- **Bulding mutual trust**

  This trust is fundamental with respect to Axway's values and the managers' missions.

  Without this mutual trust, it is impossible to build real team spirit based on integrity to achieve performance.

- **Grow your people**

  This last mission entrusted to our managers is essential to meet our objective of long-term growth.

  Without employees whose skills in terms of knowledge and behaviours are growing every day, we would be unable to live up to our values, especially those of "expertise and excellence".

9.1.2 Sharing the Group's values and ethos and integrating new staff

Axway's value system and ethos must be shared by our entire workforce, which consisted of 1,783 employees at 31 December 2013. A programme has been set up specifically to communicate and ensure the commitment of all staff to these values, especially among the 272 new members we welcomed in 2013.

The new employee orientation seminar was thus reviewed in 2013, putting greater emphasis on the presentation of the Company's various business lines, as well as its corporate culture and the values described above.

9.2 Change in Axway's total workforce

	2013	2012	2011	2010	2009	2008
Workforce	1,783	1,774	1,755	1,661	1,614	1,652

At the end of 2013, Axway had 1,783 staff, including 610 in France.

The breakdown of workforce by geographical area is as follows:

- Europe: 1,319 employees (74%);
- North America: 419 (23%);
- Asia/Pacific: 45 (3%).

In 2013, Axway maintained a recruitment drive to help with its growth plan.

Number of dismissals

In 2013, Axway made one person redundant in Italy on economic grounds and dismissed 53 people worldwide on employee-related grounds.

The rate of turnover remains stable at around 12.9%. In 2013 the interesting point concerns the constitution of turnover which, compared to previous years, is significantly more at Axway's initiative.

9.3 Recruitment

Axway hired 272 new employees.

Nearly 60% of the new hires took place in Europe and nearly 40% in North America.

The recruitment of staff with highly-specialised skill sets was also stepped up.

These recruitment figures represent global figures for Axway over one year.

In support of its recruitment drive, Axway continued its partnerships with a number of prestigious engineering schools and its internship scheme (mainly end-of-study internships leading to permanent recruitment in a very high proportion of cases).

Almost all newly-recruited staff are offered permanent contracts and have completed five or more years of higher education.

9.4 Workforce by age and length of service

The average length of service of Group employees was 7.62 years at 31 December 2013.

It averages 8.22 years in Europe compared with 5.50 years in North America.

In France, the average length of service stands at 9.88 years compared with 9.3 years in 2012.

The average age of employees has remained stable for several years. Keeping the average age at this level is the direct result of recruiting young graduates.

AVERAGE AGE BY GEOGRAPHICAL AREA

	2013	2012
Europe	39	39
North America	44	44
Asia	39	37

In 2013, women accounted for over 25% of the workforce.

9.5 Career development

9.5.1 Performance evaluation

In each country, the compensation policy is based on a performance evaluation system applied worldwide. Career development is managed on individual basis.

- In 2013, Axway set up a new annual appraisal system aimed at assessing employees' overall performance. This new system based on corporate values and managers' missions was used for the first time in 2013 to assess performance.
- Based on this assessment, wage increases were awarded to the employees who achieved or exceeded their performance targets in 2013. This strong link between performance assessment and the awarding of individual wage increases is the cornerstone of Axway's compensation policy.
- In 2013, we also started the evaluation of Axway wages compared with those of the market. This important process, which will continue in 2014, makes it possible to address certain wage inconsistencies with the ecosystem in which Axway operates.
- The Group's compensation policy is founded on the following objectives:
  - respect for the principle of fairness;
  - recognition of achievement and motivation of staff through a policy of compensation aligned with specific performance goals consistent with the Group's major challenges;
  - remaining competitive so as to attract and retain the most qualified candidates.

In 2013, like in 2012, Axway implemented salary increases on an individual basis.

Moreover, Axway complies with legal and contractual obligations with respect to compensation in all of its subsidiaries.

9.5.2 Compensation levels

Employee benefits expense (including social contributions)

(in millions of euros)	2013	2012	2011
Total	149	140	133

Profit-sharing at Axway Software SA

In France, an amendment to the June 2011 profit-sharing agreement was signed in June 2013. This agreement covers all employees of Axway Software SA. By way of derogation, the special profit-sharing reserve is calculated on the basis of French revenue and Axway Group profit from operating activities. The entire amount was allocated according to length of service in 2013.

The Company Savings Plan at Axway Software SA

A rule pertaining to the establishment of a company savings plan within Axway Software SA was implemented on 8 June 2012. The amounts paid under this plan are invested in mutual fund shares. The Group's contribution consists of the payment of all operating fees for the Company savings plan.

Occupational-insurance and retirement schemes and other benefits

In accordance with each country's laws and customs, Axway takes part in retirement and pre-retirement schemes, as well as occupational-insurance schemes covering its employees for various additional contingencies.

9.5.3 Axway university

This programme is organised by the Training Department. Its aim is to support Axway's expansion through the implementation of plans for the development of skills and the sharing of knowledge in order to:

- foster the development and motivation of employees by providing soft skills and promoting personal development;
- stimulate a rapid increase in sales of Axway's products and services by strengthening technical and commercial training, *i.e.* by increasing the number and diversity of sessions, in conjunction with the Products Department and the Marketing Department;
- develop sector-specific training, mainly in relation to the finance, logistics, insurance and healthcare sectors, in conjunction with the organisation by business activity, in order to develop functional expertise in our clients' sectors;

- enhance the overall functioning of Axway by providing a higher level of behavioural training in relation to working in a matrix organisation in teams based in different locations and operating in an intercultural context;
- implement regulatory provisions for vocational training; and
- develop mentoring to increase the transfer of know-how in the context of taking on new responsibilities. Ensuring that this know-how continues within the Group is a major challenge.

Axway dedicates major efforts to employee training. Thus, in 2013, nearly 900 employees in Europe took part in at least one training session, for a total of over 31,000 hours of training.

In France alone, 425 of the 610 employees received training, which totalled over 15,000 hours.

9.5.4 Relations with employees

This concerns the organisation of employer-employee dialogue, including procedures for informing and consulting with personnel and negotiations with personnel.

The quality of the employer-employee relationship within Axway is the fruit of ongoing dialogue between the management, employees and their representatives.

The employees are represented by employee representative bodies in France and in Germany. In France, the employees are represented by 26 personnel representatives while in Germany there are 11.

Professional relations at Axway Software SA

At Axway Software SA, employer-employee dialogue hinges on a Plant Committee, a Health, Safety and Working Conditions Committee, two Personnel Representative bodies and three Trade Union Representatives.

Labour relations at Axway GMBH

At Axway GMBH employer-employee dialogue takes place through five Plant Committees and a Central Works Council.

Summary of collective agreements

Within Axway, 70 agreements were in force at 31 December 2013. In 2013, six agreements were signed in France and seven were signed in Germany.

The collective agreements signed at Axway Software SA in 2013 are the following:

- agreement to promote the hiring and continued employment of disabled people, signed on 26 June 2013;
- agreement on the career development of staff representatives, signed on 24 July 2013;
- agreement on the reimbursement of travel expenses, signed on 18 December 2013;
- agreement on the resources allocated to the Health, Safety and Working Conditions Committee (CHSCT) signed on 25 September 2013;
- amendment No. 2 to the employee profit-sharing agreement, signed on le 26 June 2013;
- agreement on the exceptional release of funds from the employee profit-sharing and incentive schemes, signed on 31 July 2013.

The collective agreements signed at Axway GmbH in 2013 are the following:

- Rahmen-Gesamtbetriebsvereinbarung Variable Gehaltsbestandteile;
- Gesamtbetriebsvereinbarung Provisionsregelung 2013 für den;
- Gesamtbetriebsvereinbarung Bonusregelung 2013;
- Gesamtbetriebsvereinbarung Einführung und Nutzung des IT-Systems Xceedium;
- Gesamtbetriebsvereinbarung Einführung und Nutzung des PreSales Tool GlobalTrack;
- Gesamtbetriebsvereinbarung Interne Stallwausschreibung;
- Gesamtbetriebsvereinbarung Durchführung des Annual Review.

Moreover, talks concerning the French government's “generation contract” employment scheme have resulted in the drafting of an action plan whose first measures will be set up at the beginning of 2014.

9.5.5 Work organisation

Organisation of working time

In each of its subsidiaries, Axway complies with its legal and contractual obligations concerning working time. The working time depends on local requirements and activities.

4% of Axway Group employees work part-time.

Organisation of working time at Axway Software SA	Hours worked by part-time employees
Axway Software SA implements the French National Collective Agreement for technical design and engineering offices, engineering consultants and consulting firms.	At Axway Software SA, employees from all staff categories have chosen to work part-time. Out of a total of 26 part-time employees, the largest number work 4/5 time, mainly within the framework of parental leave.

Absenteeism

At Axway Software SA, the global absenteeism rate was 2.82% in 2013, including 1.74% due to illness*.

Absenteeism at Axway Software SA

Reasons for absenteeism	% of absenteeism
Illness	1.74%
Occupational/commuting accident – occupational illness	0.00%
Maternity – adoption	0.80%
Family events	0.28%
TOTAL	**2.82%**

* *The absenteeism rate includes absenteeism due to illness, occupational/commuting accidents, occupational illness, maternity/adoption, and family events as detailed in the table below. This indicator has only been set up for Axway Software SA.*

9.5.6 Health and Safety

For several years now, Axway has implemented a well-established health and safety policy. It sets out the Company's commitment to develop innovative products of the highest quality, while acting in an ethical way and guaranteeing the health and safety of its employees.

Axway is committed to providing its employees with a safe and healthy workplace. Health and safety are primordial concerns.

Health and safety conditions at Axway Software SA

In accordance with the Decree of 5 November 2011 on occupational risks, Axway Software SA has updated the Company's single occupational risk evaluation document.

In 2013, the CHSCT held four Ordinary Meetings and one Extraordinary Meeting.

Like in 2012, there was only one occupational accident without lost time and none with lost time in 2013.

Measures taken to improve safety

Preserving the health and safety of employees is a fundamental goal and an integral part of the Human Resources and social policy.

The health and safety procedure is part of an overall procedure conducted in close collaboration with the occupational health doctors, site managers and CHSCT.

In France, the Company's single occupational risk evaluation document is updated once a year and a summary of the health & safety measures taken is drawn up.

Summary of collective agreements concerning health

No agreement has been signed in this regard.

Occupational health doctors

In Germany, like in France, an occupational health doctor performs employee check-ups on a regular basis.

Awareness-raising actions were conducted in Puteaux concerning on-screen work.

Programmes are being conducted in collaboration with Irish and US governments to promote car pooling and cycling.

9.5.7 Equal treatment

Axway observes the principles of non-discriminatory recruitment and gender equality. The proportion of female engineers recruited is higher than the percentage of women graduating from engineering schools. With regard to gender equality, Axway applies a policy of fairness in relation to pay, promotion and access to training.

Axway's assessment system enables the Group to get to know its staff members and regularly monitor their development. This system is mainly based on annual appraisals, assessment cycles and annual reviews. The system also includes a Core Competency Reference Guide, which can be used by employees to improve their understanding of the requirements of the Group's businesses and career development opportunities. For local managers, this Guide supports professional development in line with both employees' wishes and the Group's priorities.

The assessment system operates under the responsibility of over 450 local managers.

Commitments in favour of gender equality at Axway Software SA

On 13 December 2012, a collective agreement in favour of gender equality was signed, with the following objectives:

- ensure that the percentage of men and women having undergone training at least once during the year continues to reflect the percentage of men and women within the Company's workforce;
- prepare employees' return to work after maternity/adoption leave, parental leave or any other continuous absence of more than six months;
- based on the SYNTEC classification, narrow the gap between the average basic wage of men and women to plus or minus 5% in three years;
- guarantee as many promotions for women as for men.

A company-wide agreement introduced in 2007 stipulates the conditions for the entry into application of the individual wage increase guarantee for employees on maternity or adoption leave as required by the Law of 23 March 2006 on equal pay for women and men.

Initiatives in favour of the employment and integration of disabled workers

A collective agreement was signed on 26 June 2013 to promote the hiring and continued employment of disabled persons. It includes a certain number of objectives over the agreement's three-year term:

- appointment of a dedicated reference person within the CHSCT;
- launch of an awareness-raising, communication and manager training campaign;
- hiring of three disabled workers;
- continued employment of disabled persons;
- outsourcing work to the protected sector.

Initiatives in favour of seniors

Talks concerning the «generation contract» scheme were initiated in 2013.

9.5.8 Promoting and abiding by the stipulations of the International Labour Organisation's fundamental principles

In addition to the issues concerning collective bargaining rights and abolishing employment discrimination described in Section 10.1.2.3 "Relations with Employees" and Section 10.1.2.6 "Equal treatment", Axway promotes the abolition of forced labour and child labour. Axway has chosen to set the mandatory minimum age for all its employees at 18, an age which is above the minimum age required by the International Labour Organisation's fundamental principles.

All Axway entities are required to verity the age of their new employees at the time of their recruitment.

Methodology note

Scope of consolidation for employee data, health and safety data, indicators, and reporting method and systems.

Employee data

Scope of consolidation

The headcounts shown in the "Workforce" and "Breakdown of workforce by geographical area" tables correspond to the total number of employees at 31 December 2013.

Indicators

The indicators chosen are those used for personnel management and the Group's employee-related issues. They reflect the results of the Human Resources policy.

Data

For the scope defined, the data stems from country-specific reports and the reports produced by the divisions concerned, *i.e.* Recruitment and Training.

A continuous improvement process has been set up for those systems.

Health and safety data

Scope of consolidation

The safety indicators concern all Axway sites.

Indicators

The indicators chosen are those used for the management of Axway sites. They reflect the results of Axway's policy regarding the environment, health and safety.

Data

This year's health and safety data was collected by the site managers for Axway Software SA.

A continuous improvement process has been set up for those systems.

9.6 Environmental Information

Axway's environmental policy aims to minimise its impact on the environment by guaranteeing the health and safety of the employees, clients and communities in which Axway operates.

Software development has a limited impact on the environment. Nevertheless, Axway is committed to preserving the environment. Our businesses generate a large amount of travel, require significant IT infrastructure and equipment and produce a lot of documents.

The need to control our environmental impact has therefore become a key factor in our management and production methods, and is covered by a continuous improvement programme involving the relevant functional divisions and staff.

9.6.1 General environmental policy

Company measures to take account of environmental issues and, where applicable, carry out environmental evaluations or certification procedures

Management of business premises

At its sites in France and, depending on local legislation, in its international subsidiaries, Axway supports measures to protect the environment:

- furnishing of premises with ergonomic workstations enhancing the quality of working conditions for its staff;

- installation of energy-efficient and environmentally-friendly heating and air-conditioning systems when existing systems require replacement;
- preventive maintenance of facilities to save energy;
- use of whiteboards instead of flip charts;
- use of low-energy light bulbs;
- use of non-toxic and non-hazardous products by the cleaning services;
- installation of water fountains directly connected to the drinking water distribution network to reduce plastic bottle use;
- commitment by site managers to observe and encourage respect for the environment and good practices on a day-to-day basis.

Employee training and awareness-raising regarding environmental protection

As the limitation of our environmental impact is understood to be a matter of concern for all parties involved, the Group's employees play a key role in this eco-responsibility process. Axway encourages employee initiatives in the area of environmental protection and promotes the avoidance of excess consumption of non-renewable energy resources in our working methods. A guide to eco-friendly behaviours was published and distributed in early 2009 to raise awareness and help employees in their day-to-day activities. Staff are regularly reminded of this guide, and all Group sites have champions tasked with supporting its adoption. With regard to purchases of consumables, office equipment and IT hardware, Axway has a proactive policy of working with suppliers who offer eco-friendly products.

Resources dedicated to the prevention of environmental risks and pollution

Axway has locations both in France and abroad. Axway's clients are located throughout France and abroad. All of the above generates a large amount of travel, with an associated environmental impact in terms of pollution and the consumption of energy resources.

In this context, and in order to limit the amount of business travel, Axway Software has implemented an action plan targeting a number of different areas: reducing travel to internal and external meetings by installing videoconferencing equipment at most Group sites, promoting the use, wherever possible, of the least polluting forms of transport, particularly for travel within France and daily visits to client sites. In 2013, Axway had 15 videoconferencing rooms available. Moreover, communications *via* webcam at individual workstations are becoming increasingly common.

GoToMeeting videoconference totals	2013	2012	2011
• in hours	63,666	46,666	30,000
• in days	8,444	6,222	4,000

9.6.2 Pollution and waste management

Measures to prevent, reduce or neutralise discharges into the air, water or soil with serious environmental impacts

Compared with heavy industry, Axway's software development and integration activities have a very limited impact on air, water and soil.

In order to limit discharges into the air, as explained in Section 10.2.1.3, we limit our number of journeys by promoting videoconferencing and the use of webcams.

Measures to eliminate, recycle and prevent waste

IT resources are managed centrally by Axway's IT team. This ensures that hardware is standardised and shared, leading to energy savings.

Axway has a large number of servers that it uses in its software development activity. These servers contribute to the Company's environmental footprint (in terms of materials, energy consumption and air conditioning requirements). With the aim of controlling the related costs, as well as the environmental impact, Axway manages its servers as efficiently as possible by pooling hardware and implementing solutions for reducing the amount of energy consumed by workstations.

With regard to photocopiers and printers, Axway has developed a process for rationalising the number of devices and promoting sensible use of consumables. In this regard, networking represents a way of reducing the number of devices, since photocopiers also function as both printers and scanners (scan to mail). Most of our photocopiers have now been networked. Furthermore, virtually all our photocopiers support double-sided printing. Our stock of printers is gradually being replaced with Green IT Xerox printers.

Axway manages its IT equipment according to very precise guidelines with a view to controlling costs and protecting the environment.

All IT equipment is listed in a database managed using HP's AssetCenter product. Technical, financial and usage information is continually updated over the life cycle of IT equipment, which helps to maximise its lifespan and ensure proper recycling when such equipment reaches the end of its life.

The quality of information collected ensures that IT equipment is effectively managed. Moreover, only equipment that becomes obsolete or which no longer meets the required standards is replaced.

Even once equipment has been removed and recycled, Axway maintains information relating to the final destination of equipment in its database.

Furthermore, the IT team helps to reduce Axway's greenhouse gas emissions by opting for the virtualisation of its IT infrastructure. This technology enables the IT centres to pool and optimise the use of their equipment resources. In 2013, 85% of our servers were virtual.

The aims of this approach are reflected in:

- an increase in processing capacity and a reduction in the number of physical machines and related energy consumption;
- the purchase of more compact, energy-efficient machines such as the replacement of server racks[(1)];
- significant space savings in IT centres by limiting the need to build extensions;
- a longer life cycle for the use of equipment resources, thereby reducing toxic waste.

Finally, one of the key principles adopted over the last few years has been that of extending the lifespan of hardware and resisting pressure from manufacturers to constantly replace equipment.

Currently, Axway's IT equipment is used for at least four years. In order to ensure traceability, this equipment is regularly inventoried physically by Axway's technical teams, while related information is collected automatically *via* the network.

Waste management

In 2013, Axway continued to implement its waste recycling policy, in particular with respect to the following areas:

- implementation of waste separation at the Group's sites in France and Germany, working with specialised service providers. This decision was accompanied by an awareness campaign promoting the proper use of waste separation, in accordance with the specific characteristics of each site. Site representatives are appointed to ensure that all waste separation programmes across the Group operate smoothly, notably by suggesting corrective measures to improve efficiency;
- management of waste from IT consumables, batteries, soft-drink cans and paper, through the supply of special containers and removal of the waste by a certified company allowing the tracking of the amounts of waste treated;
- special management of Waste Electrical and Electronic Equipment (WEEE) through the supply of special containers and removal of this waste by a certified company allowing its the traceability.

In 2013, Axway Software set up a mobile phone recycling process. Thus, 82 telephones were recycled and given to the Red Cross via EMC Europe.

In 2014, this operation will be set up in England.

Until 31 December 2013, we did not own our laptops. Consequently, we did not set up any recycling process for them. In 2014, we will also recycle our laptops.

Noise pollution and other forms of pollution stemming from our activities

Axway ensures that the rooms housing the servers have effective sound insulation and are located away from the offices so as not to disturb employees.

9.6.3 Sustainable use of resources

The sustainable use of resources is not a major concern for Axway.

As most of our premises are leased, it is currently impossible for us to differentiate and measure our various consumptions of energy, water, etc.

Water consumption and supply in keeping with local constraints

Software publishing is a business which requires very little water.

Nevertheless, being aware that water is one of the main resources to be preserved, Axway strives to reduce the amount of water used, especially by its employees. It raises its employees' awareness on the preservation of this resource and its proper use.

(1) *For example, in Germany, three full server racks were removed and replaced with only seven servers which are more powerful and consume less energy and electricity.*

Consumption of raw materials and measures taken to make their use more efficient

Axway is making further progress in its paperless document programme through the set-up of electronic data management tools and by regularly encouraging employees to print less. The set-up of concrete measures to switch to paperless documents, as well as raising the awareness of employees, have numerous positive impacts on the environment as they reduce paper consumption and save energy by avoiding printing. The move to electronic documents also reduces the physical transport of documents, along with waste treatment, as less paper is printed.

The Group's move to paperless documents concerns: the activity reports produced monthly by each employee, the management of leaves and absences, IT requests linked to the management of the installed base, the work documents required for internal and external meetings, which are increasingly sent by e-mail, with the instruction to only print what is absolutely necessary.

Energy consumption and measures taken to improve energy efficiency and the use of renewable energy sources

Compared with heavy industry, Axway's software development and integration activities use very little energy.

Nevertheless, Axway aims to improve the energy efficiency of all its operations, in particular by switching to Green IT hardware.

Soil use

Compared with heavy industry, Axway's software development and integration activities have a very limited impact on the soil.

9.6.4 Climate change

Discharges of greenhouse gases

Compared with other sectors, the software industry's energy requirement is relatively low. Nevertheless, Axway sites are committed to using energy efficiently.

Adaptation to the consequences of climate change

Compared with heavy industry, Axway's software development and integration activities have a very limited impact on climate change.

9.6.5 Protection of biodiversity

Measures taken to preserve or promote biodiversity

Software development and integration activities have a very limited impact on biodiversity.

Nevertheless, Axway has taken measures to protect biodiversity, aimed at reducing the impact of its raw materials on the environment and ensuring sustainable procurement.

Methodology note

For 2013, we have not been able to set up a reporting system on these indicators and data. That reporting system is now being set up and will be operational for 2014.

9.7 Societal information

Concerning the Company's local, economic and social impact, Axway has a duty to act in a responsible way and wishes to contribute to useful projects, for instance by supporting NGOs. Axway wishes to develop balanced long-term relationships with its subcontractors and suppliers, with due regard for social and environmental concerns. Moreover, Axway supports the fight against corruption and is committed to applying the laws in force. We laid down an Anti-Bribery Act in the UK, which also applies to our employees dealing with clients in the UK.

9.7.1 Local, economic and social impact of the Company's activities

Axway promotes local employment, thus fostering regional development while remaining attentive to local populations.

Concerning regional employment and development

In France, Axway Software is based in Puteaux and Annecy.

Over the past three years, Axway Software hired a total of 218 new employees, thus promoting regional development.

Concerning local and neighbouring populations

Overall, Axway's sites and subsidiaries establish good relations with their neighbouring communities and strive to create exemplary working conditions for their employees.

9.7.2 Relations with people and organisations interested in the Company's business, such as social integration associations, educational institutions, environmental protection organisations, consumer organisations and neighbouring populations

Axway maintains relations with educational institutions.

Dialogue with these people and organisations

Axway has always developed close partnerships with universities and engineering schools.

Axway enables students to discover the Company during their studies by offering internships every year.

In 2013, Axway Software SA had ten trainees under internship contracts and six under work-study contracts.

Partnerships and corporate patronage

At present, there are no corporate patronage initiatives at global level. However, local initiatives may exist.

In France, on the Puteaux site, the collection of plastic bottle tops has been organised for the benefit of the Bouchons d'Amours association. With the money made from the sale of the caps, this association buys equipment for disabled people (wheelchairs, etc.) in France, and takes part in humanitarian initiatives in France and abroad.

In Bulgaria the collection of bottle caps is also organised for the benefit of the Bulgaria Cap Project. This organisation then gives the money to people in need.

9.7.3 Subcontractors and suppliers

Axway develops balanced long-term relationships with its subcontractors and suppliers, with due regard for social and environmental concerns.

Integration of social and environmental criteria in the Company's purchasing policy

Axway has not yet set up a purchasing policy integrating social and environmental criteria.

Importance of subcontracting and integration of CSR criteria in relationships with suppliers and subcontractors

Axway has not yet integrated CSR criteria in its relationships with suppliers and subcontractors.

9.7.4 Fair trade practices

Actions undertaken to prevent corruption

Axway supports the fight against corruption, abides by the United Nations Convention of 31 October 2003 against corruption, and is committed to applying the laws in force, including anti-corruption laws.

For example, in England, an Anti-Bribery and Gifts Policy was laid down in 2012 in compliance with the Bribery Act 2010.

A Code of Ethics is being drawn up and will apply to all employees.

Measures taken in favour of consumer health and safety

Compared with heavy industry, Axway's software development and integration activities have a very limited impact on consumer health and safety. Our clients are enterprises which use our software within the scope of their activities.

Methodology note

The scope covered is that of Axway Software SA data for France.

The indicators used are those of the French Grenelle II Act.

The data was collected from the departments concerned.

VERIFYING AUDITORS' REPORT YEAR ENDED 31 DECEMBER 2013

Combined General Meeting of 4 June 2014

For the attention of the Executive Management

Further to your request and in our capacity as Independent Verifying Auditors of AXWAY SOFTWARE, we present our report on the consolidated social, environmental and societal information presented in the management report for the year ended 31 December 2013, in accordance with the provisions of Article L. 225-102-1 of the French Commercial Code.

Management's responsibility

The Board of Directors is responsible for producing a management report including the consolidated social, environmental and societal information required under Article R. 225-105-1 of the French Commercial Code (hereinafter the "Information"), drawn up in accordance with the Company's reference guides (the "Reference Guides") and available on request at the Group's registered office, a summary of which is included in the Methodology Note available on the Group's website.

Independence and quality assurance

Our independence is defined by applicable regulations, our professional Code of Ethics and the provisions of Article L. 822-11 of the French Commercial Code. Moreover, we have set up a quality assurance system which includes documented policies and procedures aimed at ensuring compliance with the rules of ethics, professional standards and applicable laws and regulations.

Responsibility of the Independent Auditor

Our role, based on the work we carry out, is to:

- certify that the required information is present in the management report or, if not, certify that any omission has been explained in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code and Order No. 2012-557 of 24 April 2012 (certification of disclosure);
- express moderate assurance that all significant aspects of the Information have been disclosed in a fair way, in accordance with the relevant reference guide (moderate assurance report).

Certification of disclosure

We have carried out our work in accordance with professional standards applicable in France:

- we have checked the Information presented in the management report against the required list set out in Article R. 225-105-1 of the French Commercial Code;
- we have verified that the Information covers the scope of consolidation, *i.e.* the Company, its subsidiaries within the meaning of Article L. 233-1, and the companies its controls within the meaning of Article L. 233-3 of the French Commercial Code;
- in the event of the omission of any consolidated information, we have verified that explanations had been given in accordance with Decree No. 2012-557 of 24 April 2012. We thus wish to draw your attention to the explanation given by the Group in Section 10.2.3 regarding its consumption of water, energy, etc.

On the basis of this work, we certify that the required Information is present in management report.

Moderate assurance report

Nature and scope of the audit

We have carried out our work in accordance with ISAE 3000 (International Standard on Assurance Engagements) and the professional standards applicable in France. We have taken the following steps to obtain moderate assurance that the Information does not contain any material anomalies likely to call into question its true and fair nature, in all material aspects, and compliance with the reference guide. A higher level of assurance would have required more extensive verifications.

We have carried out the following work:

- we have assessed the reference guide with regard to its relevance, exhaustiveness, neutrality, clarity and reliability, taking into consideration, where appropriate, the industry's best practices;
- we have verified the Group's set-up of a process for collecting, compiling, processing and controlling the Information in the aim of ensuring its exhaustiveness and consistency. We have reviewed the internal control and risk management procedures relating to the preparation of the Information. We have interviewed the persons responsible for social and environmental reporting;

- we have identified the consolidated information to be tested and determined the nature and scope of the tests, taking into consideration their significance with respect to social and environmental impacts linked to the Group's activities, characteristics and societal commitments.

Concerning the consolidated quantitative information that we have found most significant:

- with regard to the parent company, Axway Software, and the entities it controls, we have implemented analytical procedures and verified, using sampling, the calculations and consolidation of the information;
- with regard to the sites or subsidiaries we selected[1] according to their contribution to the consolidated indicators, and a risk analysis, we:
  - conducted interviews to verify the correct implementation of the procedures and to identify any omissions,
  - verified, based on sampling, the calculations and reconciliation of the data with supporting documents.

The test sample covers an average of 30% of the social data contributions.

Concerning the consolidated qualitative information that we have found most significant, we conducted interviews and reviewed the related source documents to corroborate this information and appraise its true and fair nature. Concerning the fairness of practices, interviews were conducted solely within the parent company, Axway Software.

In respect of all other consolidated reported information, we appraised its true and fair nature and consistency using our own knowledge of the Company and, where appropriate, by conducting interviews or examining source documents.

Lastly, we appraised the relevance of the explanations given in cases of missing information.

Comments on the reference guide

The CSR reference guide is managed by the Group.

Under its "Methodology Note", the Group points out that, in 2013, the quantitative information is limited to social aspects.

Comments on the Information

The qualitative information covers all 42 aspects provided for under Article R. 225-105-1 of the French Commercial Code;

The bulk of the quantitative information reported by the Group in 2013 is centralised and is available directly in the Group's IT systems.

Conclusion

Based on the work we carried out, we did not detect any material anomalies likely to call into question the fact that the Information has been presented, in all material aspects, in a true and fair way and in accordance with the reference guide.

Drawn up in Lyon, 22 April, 2014

The Independent Verifying Auditor

FINEXFI

Isabelle Lhoste

(1) Companies selected for the tests: the operating company AXWAY SOFTWARE.

2

CORPORATE GOVERNANCE

1 ADMINISTRATIVE BODIES AND EXECUTIVE MANAGEMENT

1.1 Composition of the Board of Directors

The Company is a French *société anonyme* with a Board of Directors. It is subject to applicable French laws and regulations and its Articles of Association.

The main provisions of these Articles of Association in respect of members of the Board of Directors and management bodies are provided in Chapter 8, Section 2 of this document.

Unless otherwise indicated, the term "Articles of Association" in this Chapter refers to the Company's Articles of Association adopted by the Board of Directors on 23 June 2011 and last updated on 19 February 2013.

1.2 Board of Directors

The Company is administered by a Board of Directors comprising a minimum of three members and a maximum of eighteen. During the life of the Company, the directors are appointed, reappointed or dismissed by the Ordinary General Meeting; they are all eligible for re-election. Directors are appointed for a term of four years.

The Board of Directors elects from among its members a Chairman, who must be a natural person in order for the appointment to be valid. The Board of Directors can dismiss him at any time.

The Board of Directors meets as often as the Company's interests require it to do so, at the request of its Chairman.

The Board of Directors determines the overall business strategy of the Company and supervises its implementation.

It decided to separate the functions of Chairman of the Board and Chief Executive Officer.

The Board of Directors is composed of the following members:

First name, surname and professional address	Shares in the Company owned personally	Position held on the Board of Directors	Date of appointment	Expiration of term	Directorships and offices held during the last five years	Directors considered as independent[(1)]
Pierre PASQUIER (age 78) Professional address: Sopra Group SA PAE Les Glaisins BP 238 74942 Annecy-le-Vieux Cedex France	0	Chairman of the Board of Directors	General Meeting of 19 May 2009 and Board of Directors' Meeting of 19 May 2009	General Meeting convened to approve the financial statements for the year ended 31 December 2014	*Within the Group:* • Chairman of Axway Software; • Director or company officer of the Group's foreign subsidiaries (direct and indirect). *Outside the Group:* • Chairman and CEO of Sopra Group SA; • Chairman and CEO of Sopra GMT *Expired offices:* None.	No

(1) *At its meeting of 19 February 2013, the Board of Directors defined the concept of independence and qualified as independent the Directors meeting the criteria set out in Recommendation No. 8 of the Middlenext Code. The significance of business relations is based on the percentage of revenue earned with companies in which the independent directors may be Board members. Moreover, the directors' independence is appraised throughout the financial year. The directors concerned are required to notify the Company's Board of Directors if any significant event comes to alter this qualification.*

First name, surname and professional address	Shares in the Company owned personally	Position held on the Board of Directors	Date of appointment	Expiration of term	Directorships and offices held during the last five years	Directors considered as independent[(1)]
Kathleen CLARK BRACCO (age 46) Professional address: Sopra GMT PAE Les Glaisins BP 238 74942 Annecy-le-Vieux Cedex France	6,850	Director Vice-Chairman of the Board of Directors	General Meeting of 28 April 2011	General Meeting convened to approve the financial statements for the year ended 31 December 2014	*Within the Group:* None. *Outside the Group:* Financial Information • Director of Sopra Group SA. *Expired offices:* None.	No
Hervé DÉCHELETTE (age 69) Professional address: Sopra Group SA PAE Les Glaisins BP 238 74942 Annecy-le-Vieux Cedex France	22,406	Director	General Meeting of 28 April 2011	General Meeting convened to approve the financial statements for the year ended 31 December 2014	*Within the Group:* • director; *Outside the Group:* *None* *Expired offices:* None	Yes[(1)]
Christophe FABRE (age 45) Professional address: Axway 6811 E. Mayo Boulevard, Suite 400 Phoenix, Arizona 85054 USA	18,071	Director	General Meeting of 28 April 2011	General Meeting convened to approve the financial statements for the year ended 31 December 2014	*Within the Group:* • Chief Executive Officer; • Director or company officer of the Group's foreign subsidiaries. *Outside the Group:* None *Expired offices:* None.	No
Michael GOLLNER (age 55) Professional address: 28 Addison Place – Suite 100 London W114RJ	7,000	Director	General Meeting of 24 May 2012	General Meeting convened to approve the financial statements for the year ended 31 December 2016	***Within the Group:*** None ***Outside the Group:*** • Director of Get Healthy Inc.; The Idea Village. ***Expired offices:*** None.	Yes
Pascal IMBERT (age 55) Professional address: Solucom Tour Franklin 100-101 Terrasse Boieldieu 92042 Paris La Défense Cedex France	340	Director	General Meeting of 28 April 2011	General Meeting convened to approve the financial statements for the year ended 31 December 2014	*Within the Group:* None. *Outside the Group:* • Chairman of the Management Board of Solucom. *Expired offices:* None.	Yes
Françoise MERCADAL-DELASALLES (age 51) Professional address: Société Générale Tour Société Générale 17 cours Valmy Paris La Défense 7 France	1	Director	General Meeting of 28 April 2011	General Meeting convened to approve the financial statements for the year ended 31 December 2014	*Within the Group:* None. *Outside the Group*: • Resources Director of the Group and member of the Executive Committee of Société Générale. *Expired offices*: None.	No

(1) Independent director from 14/02/2014.

First name, surname and professional address	Shares in the Company owned personally	Position held on the Board of Directors	Date of appointment	Expiration of term	Directorships and offices held during the last five years	Directors considered as independent[(1)]
Hervé SAINT-SAUVEUR (age 69) Professional address: 28 rue des Pavillons, 92807 Puteaux (only for the offices held within Axway Software SA) France	0	Director	General Meeting of 28 April 2011	General Meeting convened to approve the financial statements for the year ended 31 December 2014	*Within the Group*: None. *Outside the Group*: • Director of LCH Clearnet SA; • Director of Sopra Group SA; • Director of VIPARIS Holding; • Director of COMEXPOSIUM • Elected member of Paris Chamber of Commerce and Industry • Member of the National Council on Statistical Information (CNIS) • Chairman of EIFR (European Institute for Financial Regulation) *Expired offices:* • Director of SOGECAP.	Yes
Yves de TALHOUËT (age 55) Professional address: 39 rue Boileau 75016 Paris France	0	Director	Board of Directors' meeting of 31 July 2012	General Meeting convened to approve the financial statements for the year ended 31 December 2014	*Within the Group*: None *Outside the Group*: • Director of TWENGA • CEO of TABAG • Director of Devoteam Tinubu. *Expired offices*: • Chief Executive Officer of EMEA HP.	Yes

(1) *At its meeting of 19 February 2013, the Board of Directors defined the concept of independence and qualified as independent the Directors meeting the criteria set out in Recommendation No. 8 of the Middlenext Code. The significance of business relations is based on the percentage of revenue earned with companies in which the independent directors may be Board members. Moreover, the directors' independence is appraised throughout the financial year. The directors concerned are required to notify the Company's Board of Directors if any significant event comes to alter this qualification.*

The composition of the Company's Board of Directors was not altered in 2013. Consequently no summary of modifications is included.

Pierre Pasquier has been Chairman of the Board of Directors since 22 December 2001.

Pierre Pasquier has around 45 years' experience in the fields of IT and corporate management. In 1968 he co-founded Sopra Group SA, the Company that gave birth to Axway and which is now one of France's leading consulting and systems and solutions integration companies. He is a graduate of the University of Rennes (Mathematics, 1962).

Kathleen Clark Bracco has been a member of the Board of Directors since 28 April 2011 and Vice-Chairman of the Board of Directors since 24 October 2013. Kathleen Clark Bracco has been Deputy Managing Director of Sopra GMT since 1 January 2012. She is also Sopra Group SA's Director of Financial Communications and, as such, is responsible for all investor relations within that company. Kathleen Clark Bracco began her professional career in the United States education sector. She is a graduate of the University of California at Irvine (Literature, 1994) and the University of California at San Jose (English, 1989).

Hervé Déchelette has been a member of the Board of Directors since 28 April 2011.

Hervé Déchelette has been with Sopra Group SA for most of his career, and was Company Secretary until 2008. He is an *expert-comptable* (French equivalent of chartered accountant) by training and has a degree from the École Supérieure de Commerce de Paris.

Christophe Fabre was appointed Chief Executive Officer on 22 December 2005 and has been a member of the Board of Directors since 28 April 2011.

Christophe Fabre has been with Sopra Group SA since July 1995, when he joined the Department that gave birth to Axway Software. After being appointed Chief Technology Officer (CTO) in 2003, he was responsible for combining all of Axway Software's existing products onto a single platform before being appointed Chief Executive in 2005. He is a graduate of the Institut d'Informatique et Mathématiques Appliquées de Grenoble (IMAG), where he gained a DESS postgraduate diploma in Computer Science in 1993.

Michael Gollner has been a member of the Board of Directors since 24 May 2012.

Michael Gollner is Managing Partner of Operating Capital Partners, which he founded in 2008. Michael Gollner previously worked in the Investment Banking Department of the bank Marine Midland from 1985 to 1987 before joining Goldman Sachs where he worked from 1989 to 1994. He next worked at Lehman Brothers until 1999 then at Citigroup Venture Capital. Michael Gollner is a graduate of Tulane University in New Orleans and holds an MBA from Wharton School as well as an MA in international studies from the University of Pennsylvania.

Pascal Imbert has been a member of the Board of Directors since 28 April 2011.

Pascal Imbert began his career with Télésystèmes in 1980. In 1990, he co-founded Solucom, where he has been Chairman of the Management Board since 2002. Solucom is a management and information systems consultancy whose clients are among the top 200 large corporates and administrations. Solucom is listed on NYSE Euronext. Pascal Imbert is a graduate of both the *École Polytechnique* and Telecom *Paris Tech* (formerly the *École Supérieure des Télécommunications*).

Françoise Mercadal-Delasalles has been a member of the Board of Directors since 28 April 2011.

Françoise Mercadal-Delasalles has spent her career working for the French Ministry of Finance (Budget Directorate) and in the banking sector. Since February 2009, she has been Société Générale Group's Resources Director and a member of the Group's Executive Committee. Françoise Mercadal-Delasalles holds bachelor's degrees in Arts and Law and is a graduate of the *Institut d'Études Politiques de Paris* and an alumna of the *École Nationale d'Administration* (class of 1986/1988).

Hervé Saint-Sauveur has been a member of the Board of Directors since 28 April 2011.

Since 30 May 2005, Hervé Saint-Sauveur has been a member of Sopra Group SA's Board of Directors, within which he is Chairman of the Audit Committee. Hervé Saint-Sauveur joined Société Générale in 1973: firstly within the Economic Research Department (1973), then Director of Management Control (1980-84), Managing Director of Europe Computer Systems (1985-90), Operations Manager, Capital Markets Department (1990-94), Group CFO and Strategy Manager and Member of the Executive Committee (1995-2002), Adviser to the Chairman (2003-06). He is a Director of several companies. He is a graduate of both the École Polytechnique and the École Nationale de la Statistique et de l'Administration Économique.

Yves de Talhouët has been a member of the Board of Directors since 31 July 2012.

He has been Chief Executive Officer of EMEA HP since May 2011. He was previously Chairman and CEO of HP France and at the same time Chairman and CEO of TSG. Prior to that, from 1997 to 2004, he was Vice-Chairman South Europe, Middle East and Africa at Schlumberger SEMA, before two years spent at Oracle France from 2004 to 2006 as Chairman and CEO. He was also Chairman of Devotech, a company that he created. Yves de Talhouët is a graduate of the *École Polytechnique*, the *École Nationale Supérieure des Télécommunications* as well as of the *Institut des Sciences Politiques de Paris*.

1.3 Senior executives and company officers

First name, surname and professional address	Office	Date first appointed and date on which office expires	Offices and duties within the Group during the last five years	Offices and duties outside the Group during the last five years
Pierre PASQUIER Professional address: Sopra Group SA PAE Les Glaisins BP 238 74942 Annecy-le-Vieux Cedex France	Chairman of the Board of Directors	**First appointment:** 22 December 2001	**Current offices and duties:** (Chapter 2, Section 1.2)	**Current offices and duties:** (Chapter 2, Section 1.2)
		Expiration of term: General Meeting convened to approve the financial statements for the year ended 31 December 2014	**Expired offices and duties:** (Chapter 2, Section 1.2)	**Expired offices and duties:** (Chapter 2, Section 1.2)
Christophe FABRE Professional address: Axway 6811 E. Mayo Boulevard, Suite 400 Phoenix, Arizona 85054 USA	Chief Executive Officer	**First appointment:** 22 December 2005	**Current offices and duties:** (Chapter 2, Section 1.2)	**Current offices and duties:** (Chapter 2, Section 1.2)
		Expiration of term: General Meeting convened to approve the financial statements for the year ended 31 December 2014	**Expired offices and duties:** (Chapter 2, Section 1.2)	**Expired offices and duties:** (Chapter 2, Section 1.2)

1.4 Family relationships

As of the date of approval of this document, to the best of the Company's knowledge, there are no family relationships between members of the Board of Directors and the Company's management.

1.5 Legal information

At the time of writing, to the best of the Company's knowledge, none of the members of the Board of Directors or management have been:

- convicted of fraud in the past five years;
- declared bankrupt or placed into receivership or liquidation in the past five years;
- incriminated and/or issued an official public sanction by statutory or regulatory authorities in the past five years.

To the best of the Company's knowledge, none of the corporate officers has been prevented by the courts from acting as a member of an issuer's administrative, management or supervisory body or from being involved in an issuer's management or the conduct of its business in the past five years.

1.6 Conflicts of interest within administrative and management bodies

The Company maintains significant relations for its business and development with Sopra GMT, the lead holding company of which Pierre Pasquier is Chairman and Chief Executive Officer and in which he holds a majority of voting rights. Sopra GMT controls the Company as a result of its directly and indirectly holding of more than half of the Company's voting rights (see Chapter 7, Section 2).

Furthermore, a framework assistance agreement has been entered into with Sopra GMT, under the terms of which Sopra GMT provides a number of services to Sopra Group SA and Axway Software (see Chapter 2, Sections 3.1 and 3.2). In accordance with the procedure applicable to regulated agreements, this agreement was submitted to the Board of Directors for approval prior to being signed.

To the best of the Company's knowledge, these relationships are not liable to constitute conflicts of interest.

It should also be noted that:

- Axway's Board of Directors includes five (5) independent members, appointed at a meeting held on 14 February 2014, in accordance with Recommendation No. 8 of the Middlenext Code of Corporate Governance (see Section 2.4 on page 195);
- the directors submit to the obligation to comply with the interests of the Company, the rules set out in the charter and the internal regulations of the Board of Directors and any other rules contributing to good governance as defined in the Middlenext Code of Corporate Governance ("Compliance for Board members"). Moreover, Article 13 ("Conflicts of Interest") of the Board of Directors' internal rules and regulations stipulates that: *"Any Board member finding themselves in a situation of conflict or potential conflict of interest, due to the offices they hold within another company, cannot take part in the vote on the corresponding matter."*;
- the Company has decided to separate the offices of Chairman and CEO.

1.7 Committees

An Audit Committee was created by resolution of the Board of Directors held on 9 May 2011 which also decided, with immediate effect, on its composition, its operating procedures and its powers. Its members are:

- Hervé Saint-Sauveur (Chairman);
- Françoise Mercadal-Delasalles;
- Hervé Déchelette;
- Michael Gollner.

The procedures of the Audit Committee are described in Chapter 2, Section 4.1.5.

A Selection, Ethics and Governance Committee was created by a resolution of the Board of Directors on 22 May 2012 which also decided, with immediate effect, on its composition, its operating procedures and its powers. Its members are:

- Pierre Pasquier (Chairman);
- Kathleen Clark Bracco;
- Pascal Imbert;
- Hervé Déchelette.

The procedures of the Selection, Ethics and Governance Committee are described in Chapter 2, Section 4.1.5.

A Remuneration Committee was created by resolution of the Board of Directors held on 22 May 2012 which also decided, with immediate effect, on its composition, its operating procedures and its powers. Its members are:

- Pascal Imbert (Chairman);
- Kathleen Clark Bracco;
- Hervé Déchelette;
- Yves de Talhouët.

The procedures of the Remuneration Committee are described in Chapter 2, Section 4.1.5.

1.8 Compensation paid to company officers

The Company's Combined General Meeting of 4 June 2013 allocated directors' fees in the amount of €262,500 for financial year 2013 as part of its resolution No. 17.

In accordance with Middlenext Code Recommendation No. 14, Article 9 of the internal rules and regulations of Axway Software's Board of Directors stipulates that:

"Half of the total directors' fees are distributed equally between the members of the Board of Directors. The other half of the total directors' fees are distributed, at the end of the year, in proportion to the number of sessions of the Board of Directors or, where applicable, of each committee in which each member of the Board took part."

DIRECTORS' FEES AND OTHER COMPENSATION PAID TO THE GROUP'S NON-EXECUTIVE COMPANY DIRECTORS

Non-executive company directors	Amounts due in the 2013 financial year	Amounts due in the 2012 financial year
Hervé SAINT-SAUVEUR		
Directors' fees	43,458.3	48,246
Other compensation	-	-
Hervé DÉCHELETTE		
Directors' fees	40,833.3	39,663
Other compensation	-	-
Pascal IMBERT		
Directors' fees	32,083.3	31,000
Other compensation	-	-
Kathleen CLARK BRACCO		
Directors' fees	26,833.3	26,000
Other compensation	-	-
Françoise MERCADAL-DELASALLES		
Directors' fees	18,958.3	21,000
Other compensation	-	-
Michael GOLLNER		
Directors' fees	32,958.3	19,591
Other compensation	-	-
Yves de TALHOUËT		
Directors' fees	24,208.3	12,000
Other compensation	-	-
TOTAL(1)	**219,333.4**	**197,500**

(1) This amount solely includes directors' fees allocated to the non-executive officers. See also the summary table of the compensation paid to each Executive Officer in respect of their duties within the Group on pages 55 to 57.
Axway Software pays the Directors' fees.

As of this date, there is no service contract linking the Directors and administrative bodies and/or the Management with the Company.

The table below shows the remuneration paid and owed to Pierre Pasquier and Christophe Fabre for the last two financial years:

SUMMARY OF THE COMPENSATION, STOCK OPTIONS AND SHARES ALLOCATED TO EACH EXECUTIVE OFFICER ACROSS THE GROUP

(in euros)	2013	2012
Pierre PASQUIER		
Compensation payable in respect of the financial year(1)	144,208	141,000
Valuation of multi-year variable compensation allocated during the financial year	-	-
Valuation of options allocated during the year	-	-
Valuation of bonus shares awarded	-	-
Christophe FABRE		
Compensation payable in respect of the financial year	525,397	562,502
Valuation of multi-year variable compensation allocated during the financial year	-	-
Valuation of options allocated during the year	-	
Valuation of bonus shares awarded during the year	-	
Granting of bonus shares as part of the Bonus Share Plan already in place	-	45

SUMMARY TABLE OF THE COMPENSATION PAID TO EACH EXECUTIVE OFFICER IN RESPECT OF THEIR DUTIES WITHIN THE GROUP

	2013		2012	
(in euros)	Amount due	Amount paid	Amount due	Amount paid
Pierre PASQUIER				
Fixed compensation(1)	120,000	120,000	120,000	120,000
Variable compensation	-	-	-	-
Multi-year variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees(1)	24,208	21,000	21,000	23,438
Value of benefits in kind	-	-	-	-
TOTAL	**144,208**	**141,000**	**141,000**	**143,438**
Christophe FABRE				
Fixed compensation(2)	301,264	301,264	311,308	311,308
Variable compensation(2) (3)	128,037	140,089	140,089	167,829
Multi-year variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	18,958	21,000	21,000	23,438
Value of benefits in kind(1) (4)	77,138	77,138	90,105	90,105
TOTAL	**525,397**	**539,490**	**562,502**	**592,680**

(1) Fixed compensation and Directors' fees are paid by Axway Software SA.

(2) The fixed and variable compensation and the benefits in kind are paid by Axway Software and Axway Inc. in dollars. The conversion rate used for this table at 31 December 2012 was $1.00 = €0.77827, while the rate applicable at 31 December 2013 was €1 = $1.32774. The difference in the fixed compensation allocated to the CEO in 2012 and 2013 is due to the different conversion rates.

(3) The criteria used to determine the amount allocated in respect of variable compensation are two-thirds quantitative and one-third qualitative. The criteria applied to determine the amount allocated in respect of variable compensation are the Company's organic growth and operating margin. The achievement levels for these quantitative criteria have been laid down precisely, however they cannot be disclosed due to confidentiality reasons. The qualitative criteria are determined annually depending on the issues faced by the Company, however they cannot be disclosed because of confidentiality reasons.

(4) The benefits in kind enjoyed by Christophe Fabre primarily comprise a company vehicle and living accommodation. The amounts shown in the table above do not include social security contributions paid in France, which came to €74,111 in 2013 and €104,000 in 2012.

Executive officers	Employment contract Yes	Employment contract No	Supplementary pension plan Yes	Supplementary pension plan No	Indemnities or benefits due or likely to become due on the termination of service or change of functions Yes	Indemnities or benefits due or likely to become due on the termination of service or change of functions No	Indemnities relating to a non-competition clause Yes	Indemnities relating to a non-competition clause No
Pierre PASQUIER Chairman Start of term of office: Board of Directors' meeting of 19 May 2009 End of term of office: General Meeting convened to approve the financial statements for the year ended 31 December 2014		X		X		X		X
Christophe FABRE Chief Executive Officer Start of term of office: Board of Directors' meeting of 22 December 2005 End of term of office: Open-ended	X			X(1)		X		X

(1) The Company made provisions to pay retirement expenses for 2013 corresponding to compensation and benefits for Christophe Fabre as part of the AGIRC ARRCO standard procedure for executives.

Christophe Fabre has been employed by Sopra Group SA since 1995. His employment contract was transferred to Axway when it was made a subsidiary in 2001, as were all the employment contracts of the employees of the transferred business activities.

With effect from 22 December 2005, the date of Christophe Fabre's appointment as the Company's Chief Executive Officer, his employment contract was suspended and it will remain suspended for as long as Christophe Fabre serves as Chief Executive Officer.

The Board of Directors' decision to maintain Christophe Fabre's employment contract and to suspend it whilst he serves as Chief Executive Officer was taken based on his length of service (10 years) as an employee of the Company.

It should be noted that Christophe Fabre was granted 170,397 options to subscribe to shares under Plan No. 1 (Chapter 7, Section 6), and 200,000 options to subscribe to shares under Plan No. 3 (Chapter 7, Section 6), which have the following characteristics:

HISTORY OF SHARE SUBSCRIPTION OPTIONS GRANTED TO COMPANY OFFICERS

Information on share subscription options	Plan No. 1	Plan No. 3
Date of the General Meeting that authorised the plan	23/05/2007	28/04/2011
Grant date by the Board of Directors	23/05/2007	18/11/2011
Company officer concerned by the award	Christophe Fabre	Christophe Fabre
Total number of shares that may be subscribed	170,397(1)	200,000(1)
Date from which options may be exercised	24/05/2011	18/05/2014 for 50% 18/11/2016 for 50%
Expiry date	23/05/2012	18/11/2019
Subscription price	€12.61	€14.90
Number of shares subscribed at 31/12/2012	170,397	-
Cumulative number of share subscription options having been cancelled or expired	-	-
Share subscription options outstanding at 31/12/2012	-	200,000

(1) The granting of these subscription options is not attached to any performance conditions since none are required by Plans No. 1 and No. 3.

The table below sets out the method used to determine the subscription price and the adjustments made to the number of shares that may be subscribed under Plan No. 1:

Unit price Change	Value of the option	Number of options	Event
-	78.90	20,100	Allocation(1)
28.00	106.90	-	2008 Adjustment(2)
0.9558	102.18	-	Before distribution & capital increase(3.1)
-	-	21,029	Before distribution & capital increase(3.2)
0.1250	12.77	168,231	Eight-for-one stock split(4)
0.9876	12.61	-	Capital increase(5.1)
-	-	170,397	Capital increase(5.2)

(1) Initial position as at 23 May 2007 upon allocation.
(2) = (par value per share after the 2008 Capital Increase – par value per share before the 2008 Capital Increase) i.e. (€38.00 - €10.00).
(3.1) = (Axway value after distribution/Axway value before distribution of premiums and reserves) i.e. €300,000,000.00/€313,863,641.18.
(3.2) = (strike price of a share option before adjustment/strike price of a share option after adjustment).
(4) = (total number of shares after stock split/total number of shares before stock split), i.e. 1/8.
(5.1) = (number of shares before capital increase/number of shares after capital increase), i.e. 15,920,000/16,120,513 = 0.9876.
(5.2) = (strike price of a share option before adjustment/strike price of a share option after adjustment).

SHARE SUBSCRIPTION OR PURCHASE OPTIONS GRANTED DURING THE FINANCIAL YEAR BY THE ISSUER OR ANY GROUP COMPANY TO EXECUTIVE OFFICERS.

N/A. This table is included in Section I A of the Board of Directors' report on share subscription options and is available in Chapter 3.

SHARE SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING THE YEAR BY EACH EXECUTIVE OFFICER

N/A. This table is included in Section II A of the Board of Directors' report on share subscription options and is available in Chapter 3.

HISTORICAL BONUS SHARE GRANTS

Information concerning the bonus shares granted	
Date of Meeting	Bonus share allocation plan (PAGA No. 1)
Date of General Meeting	Combined General Meeting of 28 April 2011
Date of Board of Directors' meeting	14 February 2012
Total number of bonus shares granted, of which:	77,670
Christophe Fabre	45
Pierre Pasquier(1)	-
Valuation of shares based on the method used for the consolidated financial statements	€13.20 per share, *i.e.* a total of €594 for the 45 shares
Share acquisition date(2)	14 February 2016
Lock-in period end date	The bonus shares awarded must be kept by the Chief Executive Officer throughout his tenure at the head of the Company.
Number of shares subscribed at 31/12/2013	-
Cumulative number of bonus shares cancelled or having lapsed	-
Number of bonus shares remaining at the year-end	-

(1) The Chairman of the Board of Directors, Mr Pierre Pasquier, refused the forty five (45) bonus share initially granted to him.
(2) No performance requirement was specified as the PAGA 2012 is a democratic plan and is not subject to such a requirement.

1.9 Provisions made by the Company and its subsidiaries to pay pension, retirement and other advantages to executives

There is no specific supplementary retirement scheme for executives outside the AGIRC ARRCO standard procedure for executives.

In respect of the 2013 financial year, the Company made no provisions to pay pension, retirement and other benefits to members of its administrative or management bodies other than the retirement expenses corresponding to the compensation and benefits for Christophe Fabre as part of the AGIRC ARRCO standard procedure for executives.

1.10 Code of Corporate Governance

The Company decided to adopt the recommendations of the Middlenext Code of Corporate Governance for small and midcaps as issued in December 2009, owing to its compatibility with the size of the Company and its capital structure.

The Board of Directors has reviewed the principles of this Code.

The Company applies a number of recommendations included in the Middlenext Code and intends to adapt its internal process on a gradual basis with each passing financial year. However, for 2013, the status of the application of the Code's recommendations is as follows:

Recommendation number	Purpose of the recommendation	Applied	Explained
1	Combination of employment contract and directorship	Yes	
2	Definition and transparency of the compensation of executive officers	Yes	
3	Severance pay	Yes	
4	Supplementary pension plans	Yes	
5	Stock options and bonus share grants	Partially	-(1)
6	Introduction of Board internal regulations	Partially	-(2)
7	Compliance for Board members	Partially	-(3)
8	Composition of the Board – Independent directors on the Board	Yes	
9	Selection of directors	Yes	
10	Directors' term of office	Yes	
11	Board member information	Yes	
12	Creation of committees	Yes	
13	Board and Committee meetings	Yes	
14	Directors' compensation	Yes	
15	Introduction of Board evaluation	Yes	-

(1) The terms of allocation are complied with (no excessive allocation or allocation on departure). However, the terms for exercising options are not complied with (no performance conditions) as the overall allocation plan this falls under does not include any performance conditions. Moreover, the Company's medium/long-term interests are taken into account via the length of tenure of the office to which he was first appointed on 22 December 2005.

(2) This recommendation is followed, with the exception of the full publication of the internal regulations. Nevertheless, the limitation of the powers of the Company's CEO, and the roles of the Chairman and Vice-Chairman stipulated in the Company's internal regulations are presented in Chapter 2, Section 2, Item 4.1.2 «Regulatory framework governing the Board of Directors, its organisation and its working procedure» of this Registration Document. The main provisions of the Company's internal regulations can be communicated to any shareholder at their request.

(3) The Axway Board members who were appointed in 2009 and 2011 did not sign the Board's internal regulations since said rules were adopted at a later time, but they did accept the terms of an amendment to the internal regulations at the Board meetings of 31 July 2012 and 24 October 2013.

2 STATUTORY AUDITORS

2.1 Statutory Auditors and Alternate Auditors

The information concerning the Statutory Auditors and Alternate Auditors is presented in Chapter 8, Section 5 of this Registration Document.

2.2 Fees for Statutory Auditors and members of their networks

	Mazars						Auditeurs & Conseils Associés					
	Amount (excl. VAT)			%			Amount (excl. VAT)			%		
(in thousands of euros)	2013	2012	2011	2013	2012	2011	2013	2012	2011	2013	2012	2011
Audit												
Statutory audit, certification and review of the individual company and consolidated financial statements												
• Issuer	92	96	102	27%	30%	34%	85	85	94	70%	67%	51%
• Fully-consolidated subsidiaries	222	197	194	66%	61%	66%	35	36	27	29%	28%	15%
Other work and services directly related to the statutory audit:												
• Issuer	2	-	-	1%	- %	- %	-	-	59	- %	- %	32%
• Fully-consolidated subsidiaries	18	30	-	5%	9%	- %	-	-	-	- %	- %	- %
Subtotal	**334**	**323**	**296**	**100%**	**100%**	**100%**	**120**	**121**	**180**	**98%**	**95%**	**98%**
Other services provided by the networks to fully consolidated subsidiaries												
Legal, tax and employee-related	2	-	-	1%	- %	- %	2	6	4	2%	5%	2%
Other	-	-	-	- %	- %	- %	-	-	-	- %	- %	- %
Subtotal	**2**	**-**	**-**	**1%**	**- %**	**- %**	**2**	**6**	**4**	**2%**	**5%**	**2%**
TOTAL	**336**	**323**	**296**	**100%**	**100%**	**100%**	**122**	**127**	**184**	**100%**	**100%**	**100%**

3 REGULATED AGREEMENTS

3.1 New agreements concluded in 2013

3.1.1 Service provision agreement signed between Sopra India and Axway Software

Under this agreement, Sopra India Private Ltd, a wholly-owned subsidiary of the Sopra Group, provides services to Axway Software and to all subsidiaries of the Axway Group.

The Board of Directors unanimously approved this related party agreement. This agreement will be submitted to the next General Meeting in accordance with Articles L. 225-38 *et seq.* of the French Commercial Code.

3.1.2 Write-off of receivables

A/ Write-off of receivables in favour of the Group's Italian subsidiary

The Board of Directors authorised writing off receivables owed to the Company in the amount of €837,166.02 by its Italian subsidiary Axway Srl.

The agreement was not subject to prior authorisation by the Board of Directors. This agreement will be submitted to the next General Meeting in accordance with Articles L. 225-42 paragraph 3 of the French Commercial Code.

B/ Write-off of receivables in favour of Axway Sdn Bhd

Axway Sdn Bhd, the Group's Malaysian subsidiary, encountered difficulties during the financial year ended 31 December 2013. Consequently, receivables amounting to €59,685 (MYR260,000) were written off in its favour by Axway Software.

The agreement was not subject to prior authorisation by the Board of Directors owing to an involuntary omission. This agreement will be submitted to the next General Meeting in accordance with Articles L. 225-42 paragraph 3 of the French Commercial Code.

The Company's Board of Directors appraised the concepts of current and recurring operations in respect of applicable laws and regulations, in particular Articles L. 225-38 *et seq.* of the French Commercial Code, jurisprudence, and AMF Recommendation 2012-05 on listed companies' General Meetings of Shareholders. In order to rationalise the monitoring of related party agreements, the Company's Board of Directors, at its meeting of 15 April 2014, decided to reclassify certain agreements previously considered as regulated agreements into current agreements. Such agreements are concluded between Group companies under normal terms and concern current or recurring operations.

They consist of the following agreements:

- Cash management agreement and amendments No. 1 and No. 2 concluded following the consolidation of Vordel Ltd (Ireland) and Axway Software do Brazil (Brazil). This agreement is the Group's cash management agreement which includes all Group companies.
- Agreement on the provision of IT resources and amendments No. 1 and No. 2 concluded following the consolidation of Vordel Ltd (Ireland) and Axway Software do Brazil (Brazil).
- Assistance agreement (Functional Divisions) between Axway Software and Axway Inc.

Consequently, as approved by the AGM, these agreements will no longer be mentioned in the Statutory Auditor's special report on regulated agreements and commitments.

3.2 Agreements approved in previous years which continued to be applied during the year

The execution of the following agreements which were approved in previous years continued in 2013:

3.2.1 Agreements concluded between Axway Software and Sopra Group

Agreement	Impact on the 2013 financial statements
Provision of premises	-€2,422,160
Provision of IT resources	-€83,560

3.2.2 Agreement concluded between Axway Software and Sopra GMT

Agreement	Impact on the 2013 financial statements
Assistance provided by functional divisions	-€277,622

4 REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE AND INTERNAL CONTROL

Dear Shareholders,

The purpose of this report is to inform you of the composition of the Board of Directors of Axway Software SA, of the application of the principle of balanced gender representation within its members, of the manner in which its work is prepared and organised, and of the internal control and risk management procedures implemented by the Group during the financial year ended 31 December 2013. It is presented to you as a supplement to the Management report contained in this 2013 Registration Document.

This report was drawn up in accordance with Article L. 225-37 of the French Commercial Code and the recommendations of the AMF, in particular those contained in its report on small/mid-cap corporate governance and officer remuneration dated 18 November 2013.

4.1 Manner in which the work of the Board of Directors was prepared and organised

4.1.1 Composition of the Board of Directors and remuneration of its members

The composition and remuneration of the members of the Board of Directors are presented in Chapter 2 Section 1 of the 2013 Registration Document.

The Board of Directors currently comprises two women, pursuant to the principle of the balanced representation of men and women (law No. 2011-103 of 27 January 2011). The Board shall strive to enhance this balanced representation in its composition when any changes are made to its structure in the future.

4.1.2 Regulatory framework governing the Board of Directors, its organisation and its working procedure

The organisation and working procedure of the Board of Directors are governed by law, the Company's Articles of Association, internal rules and regulations, and a charter.

Legal provisions

The Board of Directors' working procedures are governed by Articles L. 225-17 *et seq.* of the French Commercial Code The principal mission of the Board of Directors is to determine the strategic directions to be followed by the Company and to oversee their implementation.

Provisions included in the Articles of Association

The rules governing the organisation and procedures of the Board of Directors are set forth in Articles 14 to 21 of the Articles of Association included in Chapter 8 of this Registration Document. Legal and Administrative Information.

The Articles of Association currently incorporate the recommendations of the Middlenext Code of Corporate Governance on the term of office of directors, which is set at four (4) years.

Internal rules and regulations of the Board of Directors

The internal rules and regulations cover the following topics: reminder of legal and statutory powers, meetings, information received by the Board of Directors, training of members, committees, conflicts of interest, directors' fees, confidentiality and works council representatives.

Board of Directors' charter

The charter addresses the following issues: proxies, missions and conditions of service, knowledge of rights and obligations, individually owned shares, ethical rules pertaining to stock market transactions, transparency, conflicts of interest, meeting attendance and confidentiality.

The Articles of Association, the internal regulations and the charter of the Board of Directors are available upon request from the Company's Corporate Secretary.

Powers of the Chief Executive Officer

The Chief Executive Officer exercises his or her powers within the limits of the Company purpose and applicable laws, the Articles of Association and the internal regulations. The Chief Executive Officer has authority over the Group as a whole and directs its operational activities. He or she is vested with the broadest powers to act in all circumstances in the name of the Company and represents the Company in its relations with third parties. The Chief Executive Officer is the Chairman of the Executive Committee (AxCom).

The Chief Executive Officer is moreover in charge of providing the Board of Directors and its committees with the information that they need and implementing the decisions made by the Board. The internal regulations of the Board of Directors specify the role of the Chief Executive Officer and the conditions for exercising the prerogatives of the office. The Chief Executive Officer thus closely coordinates his or her activity with the Chairman of the Board of Directors to ensure a continuous liaison between the members of the Board of Directors and Executive Management and keeps them informed of the Group's situation and of any proposed decisions when such decisions could have a material impact on the course of business.

The decisions defined hereinafter must receive the prior authorisation of the Board of Directors, or of the Chairman in the event of emergencies or when delegated to the Chairman by the Board, and in that case the Chairman must report back to the Board on the authorisations that he or she gives in such circumstances.

In all cases, these decisions must be prepared and discussed by the Chief Executive Officer with the Chairman.

Decisions requiring the prior approval of the Board of Directors in the above-referenced conditions are those that have a major strategic consequence or that are likely to have a material impact on the financial position or the commitments of the Company or of its subsidiaries and in particular those related to:

- concerning the implementation of the strategy:
  - adaptation of the business model,
  - any decision on the acquisition or sale of companies or business activities, with powers delegated to the Chairman by the Board to decide on transactions amounting to less than €5 million,
  - the conclusion of strategic alliances;
- concerning organisation:
  - the appointment or dismissal of a member of the executive team (members of the Executive Committee, Heads of functional structures and Heads of support divisions) with powers delegated to the Chairman by the Board,
  - any significant modification of internal procedures or organisation, with powers delegated to the Chairman by the Board;
- financial matters:
  - financial transactions that have or could have in the future a material impact on the parent company financial statements or the consolidated financial statements,
  - any procedural commitment, treaty, transaction or compromise, in the case of litigation, for an amount greater than €300,000,
  - increase or reduction of a subsidiary's capital,
  - any surety, endorsement or guarantee granted by the Company.

Role entrusted to the Chairman of the Board of Directors

Pursuant to the provisions of Article L. 225-51 of the French Commercial Code and the stipulations of Article 2 of the Company's internal regulations, the role of the Chairman of the Board of Directors includes:

- organising and directing the work of the Board of Directors;
- setting the dates and agenda of the Board of Directors' meetings;
- ensuring the smooth running of the Company's managerial bodies and the use of the best governance practices; thus
- ensuring that the directors are able to carry out their duties; and
- ensuring they have the required information.

Role entrusted to the Vice-Chairman of the Board of Directors

At its meeting of 24 October 2013, the Board of Directors decided, based on the recommendations of the Selection, Ethics and Governance Committee, to appoint a Vice-Chairman to take over the Chairman's duties in the event of the latter's incapacity, and to modify the Board of Directors' internal rules and regulations accordingly.

Article 2. 6 of the Board of Directors' internal rules and regulations also provides that *"Pursuant to Article 15 paragraph 4 of the Company's Articles of Association, the Board of Directors shall appoint a Vice-Chairman of the Board of Directors, chosen from among the directors who are natural persons. The Vice-Chairman is appointed for a duration that cannot exceed his term of office as a director. His term of office may be renewed without any limitation. He can be dismissed at any time by the Company's Board of Directors."*

The Vice-Chairman's role is to assist the Chairman in his missions at the latter's request, especially in the organisation and management of the Board's work, the supervision of corporate governance and internal control procedures and representation of the Company and its Group. He may be required to assume the Chairman's duties in the event of the latter's incapacity, provided he is a member of the Board of Directors when said incapacity occurs.

Middlenext Code

The Company has chosen to comply with the Middlenext Code (available on the Middlenext site: www.middlenext.com). Compliance with the different recommendations of the Code of Corporate Governance is detailed in Chapter 2, Section 1.10, “Code of Corporate Governance”. A list of the directors considered as independent based on the criteria defined by the Middlenext Code is included in Chapter 2 Section 1.2.

4.1.3 Meetings of the Board of Directors

Number of meetings held during the financial year and attendance of members of the Board of Directors

In accordance with its internal regulations, the Board of Directors is required to meet at least five times each year.

An annual calendar of meetings including a provisional agenda was established by the Board and may be modified should any specific events justify a change in the agreed schedule.

The Board of Directors met six times in 2013. The attendance rate was 100%.

The Board of Directors was regularly informed of and based its decisions on the work of the Audit Committee, that of the Selection, Ethics and Governance Committee, and that of the Remuneration Committee.

Issues discussed

The main issues discussed in 2013 included the following:

- strategy and the enterprise project;
- quarterly performance;
- the 2013 budget and major strategies;
- approval of the financial statements for the year ended 31 December 2012;
- approval of the interim financial statements for the first half of 2013;
- approval of financial information and planning documents;
- working procedures of the Board of Directors, its internal regulations and its charter;
- compensation paid to company officers.

4.1.4 Access to information by members of the Board of Directors

Dissemination of information – Preparatory materials

Article 4 of the internal regulations states that:

- each member of the Board shall receive all information required in the performance of his or her mission and is authorised to request any documents deemed pertinent;
- in advance of each meeting of the Board, a set of preparatory materials shall be addressed to members presenting the items on the agenda requiring special analysis and preliminary reflection, provided that confidentiality guidelines allow the communication of this information;
- the members of the Board shall also receive, in the intervals between meetings, all pertinent and critical information concerning significant events or operations. This information shall include copies of all press releases disseminated by the Company.

Training

Article 5 of the internal regulations states that *“any member of the Board may, on the occasion of his or her appointment or at any point during his or her term in office, engage in training sessions he or she feels are required by the performance of his or her duties”*.

Given the experience and length of service of the members of the Board of Directors, no training was deemed to be required in 2013.

4.1.5 Committees of the Board of Directors

Audit Committee (formerly Accounting Committee)

The Audit Committee was created on 9 May 2011. As of the date of this report, this Committee is composed of the following members:

- Hervé Saint-Sauveur (Chairman);
- Françoise Mercadal-Delasalles;
- Hervé Déchelette;
- Michael Gollner.

The Committee meets at least four times per year (in a full year). The Committee dedicates at least two meetings per year to the interim and annual financial statements.

The members of the Audit Committee have in-depth economic and/or industry knowledge as detailed in Chapter 2 Section 1 ("Administrative Bodies and Executive Management"), enabling them to fully investigate all issues submitted to them by the Company.

The Committee, which lacks the authority to take decisions on its own, submits its findings and recommendations to the Board of Directors in support of the latter's decisions in the areas of risk management and internal control, financial reporting, internal audit and external audit. The Audit Committee therefore has the following main responsibilities:

- examining the financial statements, especially in order to:
  - review the Company's exposure to risks as well as its off-balance sheet commitments,
  - verify that the procedures for gathering and checking information guarantee its reliability,
  - ensure that accounting policies have been applied consistently and are pertinent,
  - check the work methods used by the Statutory Auditors;
- promoting the effectiveness of internal control and risk management procedures;
- monitoring the statutory audit of the Group's financial statements by the Statutory Auditors;
- ensuring compliance with the requirement for the independence of Statutory Auditors.

It was convened four times in 2013 in the presence of the Statutory Auditors. The main items of business at these meetings were as follows:

- the 2013 impairment tests;
- the intra-group transfer pricing policy;
- review of the financial statements for the year ended 31 December 2012;
- review of the financial statements for the 1st half of 2013;
- the organisation of work in 2013 for the Group's internal audit function;
- review of the internal audit situation and the 2014 internal audit work schedule;
- review of the insurance policies contracted by the Group;
- the Chairman's draft report on corporate governance and internal control procedures.

The Statutory Auditors appeared before the Committee in the absence of the CEO and the Chairman of the Board of Directors.

Various operating and functional Group managers were also interviewed for the informational purposes of the members of the Audit Committee in relation to risk management, internal controls and the preparation of financial and accounting information.

Selection, Ethics and Governance Committee

The Selection, Ethics and Governance Committee was created on 22 May 2012 and is composed of:

- Pierre Pasquier (Chairman);
- Kathleen Clark Bracco;
- Hervé Déchelette;
- Pascal Imbert.

The Selection, Ethics and Governance Committee is composed of the Chairman of the Board of Directors and from three to six Board members who are appointed by the Board of Directors. The Committee lacks the authority to take decisions on its own but submits its findings and makes recommendations to the Board of Directors. The Committee may be convened when requested by its Chairman or by two of its members. It meets prior to the approval of the agenda of the Annual General Meeting, to review draft resolutions that will be submitted to it concerning the positions of members of the Board of Directors.

It was convened twice in 2013 and its main responsibilities were:

- to make proposals for appointment of members of the Board of Directors and company officers, particularly in cases of unplanned vacancies;
- to assess the Board of Directors and the functioning of company governance;
- to ensure that in all of the Group's business segments, in all the subsidiaries that it controls, in all communications that it delivers and all acts accomplished in its name, the Group's values are respected, defended and promoted by its company officers, its executives and its employees;
- to verify the application of rules of good governance in the Company and in its subsidiaries;
- to assess the status of the independent members of the Board of Directors pursuant to the Board's decisions on this subject;
- to inform and propose changes that it deems useful or necessary to make to the functioning or the composition of the Board of Directors.

Remuneration Committee

The Remuneration Committee was created on 22 May 2012. Its members are:

- Pascal Imbert (Chairman);
- Kathleen Clark Bracco;
- Hervé Déchelette;
- Yves de Talhouët.

The Remuneration Committee is composed of three to six members who are appointed by the Board of Directors. The Committee lacks the authority to take decisions on its own but submits its findings and makes recommendations to the Board of Directors. The Remuneration Committee may be convened when requested by its Chairman or by two of its members.

The Remuneration Committee was convened three times and its main responsibilities were:

- to propose the fixed and variable compensation and benefits granted to executive officers and to the Company's main executives;
- to verify the application of rules defined for calculation of their variable compensation;
- to check the quality of the information provided to shareholders on remuneration, benefits, options and directors' fees granted to company officers and the Company's main executives;
- to prepare the policy for granting (to determine the beneficiaries and the conditions for granting) share subscription or purchase options and bonus shares;
- to prepare decisions concerning employee savings.

4.1.6 Evaluation of the Board of Directors

The Board of Directors' self-evaluation for 2013 was performed during the 2013 financial year while the summary was prepared at the year-end. It reflects the will of the directors to conduct a full and exhaustive evaluation of the Board of Directors and of its operating procedures for the year 2013. The summary of this self-assessment will serve as a guideline for procedures and the preparation of the Board's work for the financial year 2014. A summary of the evaluation questionnaire was presented at the Board of Directors' meeting of 14 February 2014, based on feedback from the Selection, Ethics and Governance Committee.

It praised the work carried out and emphasized the quality of discussions.

Moreover, the self-evaluation raised the awareness of the directors on the Middlenext Code watch-points.

4.1.7 Other information required under Article L. 225-37 of the French Commercial Code

Specific procedures relating to the participation of shareholders in General Meetings

The main provisions of the Articles of Association relating to General Meetings and the rights and obligations of shareholders are included in Chapter 8, Sections 3 and 4 of the Registration Document.

Concerning the publication of the information required under Article L. 225-100-3 of the French Commercial Code

The information required under Article L. 225-100-3 of the French Commercial Code is detailed in Chapter 7 Section 2 ("Current ownership"), Chapter 7 Section 5 ("Issue authorisations given to the Board of Directors of Axway – Delegations granted by General Meetings") and Chapter 7 Section 4 ("Shares held by the Company or on its behalf – Share buyback programme").

4.2 Internal control and risk management procedures implemented by the Company

Introduction

Axway's software publishing activities are based on software design, development, marketing, implementation and support. In an environment undergoing constant reorganisation, the key factors for the Company's success are foresight and industrial production capacity to design and market state-of-the-art solutions with distinctive functionalities. Other key requirements are quick response, close contact with big-company decision makers and the ability to manage projects of strategic importance for major clients. This gives rise to industrial organisation to structure operating activities and involves stringent coordination between operational divisions and support functions. Axway's IT, management and control system, is thus designed to promote constant horizontal and vertical dialogue to enable the Executive Committee (Axcom) to have direct control over activities.

The major challenges consist in the capacity to foresee market needs, organise production to manufacture guaranteed-quality products while reducing costs, industrialise the marketing process and services provided to clients (support and implementation) and extend the presence of the product suite with big companies. Moreover, as for any company producing intangible goods, employee performance is a key aspect and requires Human Resource Management to ensure the best profile for each job.

Axway's internal control and risk management procedures are based on the framework and implementation guidelines published by the AMF and updated in July 2010.

4.2.1 Internal control and risk management system

According to the definition of the AMF's reference framework, internal control is a system set up by the Company, defined and implemented under its responsibility, which aims to ensure:

- compliance with laws and regulations;
- the application of instructions and guidelines determined by Executive Management;
- the proper functioning of the Company's internal processes, particularly those intended to safeguard its assets;
- the reliability of financial disclosures;

In general, internal control contributes to the control of the Company's activities, the effectiveness of its operations and the efficient use of its resources. It is also aimed at managing material risks in an appropriate way, whether these risks are operational, financial or compliance-related.

As for risk management, its aim is to:

- create and preserve the Company's value, assets and reputation;
- ensure the security of decision-making and other Company processes to promote the achievement of objectives;
- promote the consistency of the actions taken with the Company's values;
- give Company employees a common vision of the main risks.

The risks that the Company faces are described in Chapter 3 Section 5 ("Risk factors").

All of the internal control and risk management procedures described hereunder are implemented in all Group entities with the aim of reducing the risk factors to an acceptable level, helping the Company achieve its objectives and providing reasonable assurance on their implementation. However, this system cannot provide an absolute guarantee that the risks have been totally eliminated.

Axway's system comprises the five components defined by the AMF reference framework: organisation (a.) internal dissemination of information (b.) a risk identification and management process (c.) control measures (d.) continuous monitoring of the system (e.).

a. Organisation

Organisational framework

Legal structure

Axway's legal structure is designed to be as simple as possible, involving a single company per country, except for temporary situations resulting from acquisitions. At 31 December 2013, the Group was composed of 23 companies. The simplified organisational structure is presented in Chapter 1 Section 7 ("The Axway Group and its business activities").

All Group companies are fully consolidated, with Axway Software holding 100% of the capital of these subsidiaries. The Company thus controls all subsidiaries within the Group of which it is the parent. There are no *ad hoc* entities outside of the scope of consolidation.

Internal organisation

The Company's internal organisation is described under "The Axway Group and its business activities" (Chapter 1, Section 8). It is composed of the following:

- the Executive Committee (AxCom): the Chief Executive Officer, the Heads of the operating divisions and the Heads of the functional structures;
- operating divisions focused on a specific aspect of software publishing (Product Group, R&D, Marketing, Sales, Global Customer Service) and Business Units, administrative, regional or national branches of these divisions;
- centralised functional divisions for the Company as a whole.

Definition of powers and responsibilities

Rules governing delegation define the operating powers attached to each level of the organisation and organise the control of functional decisions for all Axway entities. The decision-making levels defined reflect a balance between the autonomy of the business divisions integrating an extended geographic coverage and the controls and limitations that are also necessary.

The rules governing delegation are regularly reviewed in order to take into consideration any changes in the Company.

Human Resources management policy

The Company ensures the appropriate development of its HR management policy and strives to retain the personnel who are key to its offerings, development processes, implementation methods and marketing approach.

The Human Resources Department has set up measures aiming to optimise the development of each employee's career path. This development is guided by a career evaluation and tracking procedure, inspired by the needs of the Company. This procedure includes key moments for evaluating skills and performance and reviewing working conditions. It is structured around the following major stages: annual appraisals, HR committees, end-of-assignment appraisals and HR monitoring of employees; and these are used to define individual action plans (training, mentoring, role playing).

The Core Competency Reference Guide that outlines the assignments, responsibilities and technical and behavioural skills for each job class (7) and family (24) is applied throughout the Company. It is the reference document for professional development and recruitment procedures.

In addition to the measures dedicated to the integration of new employees and to promote the sharing of Axway's key values and secure staff loyalty, the Company developed and rolled out its global training programme, "I am Axway", in 2013. Since the start of the initiative, 450 managers have received training.

Details of the measures aimed at the management of Human Resources and the main indicators are given under "The Axway Group and its business activities" – Chapter 1 Section 9 ("Human Resources") and Section 10 ("Social and environmental responsibility").

Information system and internal tools

The various individual information systems used all come under the responsibility of the IT Department, reporting to Executive Management, which is charged with the direct supervision of their operations and authorised to resolve any discrepancies. This entity is in charge of IT resources (including procurement) and implementation of security processes, and is also responsible for developing or selecting the applications to be used to meet the Company's internal needs.

By continuously working on the upgrade of the IT system, this department supports Axway's growth in all its aspects: organic growth, integration of acquisitions, geographical expansion, and integration of industry developments such as Cloud services.

The objectives of this department are to adapt the information system as effectively as possible to the Company's operating requirements, and to ensure the physical and logistical security of data to which permanent access must be guaranteed due to the service requirements in an international environment. Systems for backing up data, monitoring infrastructures, and controlling access to sites and IT applications are thus deployed universally.

Reference guides

Internal control is based in part on a reference guide which specifies how Company processes should be implemented. This reference guide is deployed as quickly as possible following acquisitions.

The Operational and Functional Departments, acting within a framework defined by the Executive Management, are responsible for the implementation and maintenance of the reference guide, and its appropriation *via* a training programme. Most of the procedures in this reference guide are grouped together in the Quality Management System (QMS), accessible at all times *via* an Intranet portal under the coordination of the Operations Department. Operating manuals are also produced by operational or functional units in dedicated collaborative spaces on this portal.

One of the main goals of the procedures guide is to manage the risks identified by the Company and cover operating activities: the progression and development of the Axway 5 Suite (Axway Product Development Process, Axway Development Methodology); support and maintenance (Global Support policies and procedures Guide); implementation of solutions comprising cloud and on-premise implementation projects (Axway Solution Implementation Methodology); marketing activities (New Product Introduction, Demand Generation) and sales activities (Sales policy, Tier 1 deals program); as well as support processes (Human Resources, Infrastructures and IT System, Finance, Legal and Administrative functions).

In parallel, internal messages sent on a regular basis to operational and functional managers provide further details on the implementation of the procedures and information on new rules.

b. Internal dissemination of information

Steering meetings are the linchpin of the information dissemination system and currently take place in all operational and functional entities without exception. This system is usually set up immediately in the companies acquired by Axway. This system is designed not only to organise the dissemination of information, ascending to Executive Management and descending to the operational divisions and functional departments, but also to direct, control, assist and provide training. Its regular meetings are adjusted according to the different perspectives considered:

- V1: weekly, for the month in progress, with priority given to the operational monitoring of activities;
- V2: monthly, for the year in progress (special attention is paid to the coming three months), which, in addition to the issues handled on a weekly basis, place additional emphasis on economic indicators: previous month's results, review of annual forecasts, budget monitoring, etc;
- V3: yearly, as part of the entity's strategic plan and budget.

Steering meetings take place at the various levels mentioned above: Business Units, Operational Divisions, Functional Departments, AxCom (Executive Committee).

The Company steering system is backed by a reporting system developed by the IT Department in collaboration with the operational divisions and functional departments.

c. Risk identification and management process

The Company's risk identification and management process aims to anticipate or address risks as quickly possible to favour attainment of its objectives. All staff members, both employees and management, are active participants in this process. The operation of the risk management process is under the supervision of Executive Management, which receives information on risks from operational, functional and audit staff. The risk factors identified through this system are listed in Chapter 3 Section 5 ("Risk Factors") of this Registration Document.

Operational risk identification, analysis and management

Standardised steering meetings taking place at all levels across all activities are an essential tool for the identification and management of risks. They ensure identification of operating and functional risks so that they can be handled at the most appropriate level of the organisation.

Operational risks associated with business activities, which are classified as "alerts" in Axway's in-house lexicon when they are significant for the entity that identifies them, are handled immediately or are included in the weekly review carried out at each of the three levels of the organisation with the aim of implementing an appropriate action plan as quickly as possible. The organisation and definition of responsibilities generally allows for decisions to be taken swiftly, addressing concerns at the level of action, accompanied if necessary by approval from the next reporting level. When a decision is required at Company level, the procedures for the handling of risks (person in charge, time limit granted for the implementation of action plans) are usually determined by the Executive Committee (AxCom) during its meetings, in keeping with Axway's strategic objectives.

The Company's Functional Divisions, responsible for the definition and proper application of policies relating in particular to Human Resources, financing, legal aspects and information systems, submit monthly reports to Executive Management on any newly identified risks, the assessment of their possible consequences and the procedures for prevention or remediation put in place or planned.

Risk map

A risk map was drawn up in 2012 as part of the set-up of the internal audit function. This work, which involved the participation of the Executive Committee (AxCom), made it possible to review the risks associated with an international software publishing business and to rank the risks according to their challenges. To ensure the exhaustive identification of the risks, appraise their qualification and assess the measures used for their management, the risk map is now regularly examined by the Executive Management and Audit Committee.

d. Control activities

Control activities take place throughout the Company, at all levels and in all functions. They include controls aimed at prevention and detection, manual and electronic controls, as well as supervisory controls pursuant to applicable delegation rules. The Functional Divisions play a special role in risk management by providing assistance and guidance to operational staff, using a preventive approach to perform the mandatory consultations required, where applicable, by procedures such as those related to contractual and spending commitments or by performing controls on the application of procedures and the results obtained (in particular, controls relating to the quality of data entered into the information system).

A specific role is assigned to the Finance and Administration Department (Management Audit), the Legal Department and the Operations Department (management of the Quality Assurance System).

Finance and Administration Department (Management Audit)

Management Audit is provided by the Finance Department and includes six members to date.

The main responsibilities of Management Audit are the following:

- to audit the revenue from licenses prior to each monthly closing;
- to conduct reviews, generally half-yearly, of departmental activities: 20 entity reviews in 2013;
- to consolidate and analyse the monthly results from the internal management system and perform a control of the consistency of monthly forecasts;
- to control the application of rules and procedures linked to the production of accounting and financial information;
- to assist the operational managers and train those working with the management system;
- to integrate the internal management system with general accounting.

Legal Department

The Legal Department (eight people) ensures that the Company complies with applicable laws and regulations in the countries where Axway operates. It plays a key role in the management of the Company's contractual commitments. The procedures provide for the consultation of the Legal Department prior to the signing of contracts with third parties, depending on the commitments they entail and when they differ from standard documents.

Operations Department

Quality management involves monitoring the life cycle of the products and services: from the design of the offers and commitments made ahead of the sales cycle, through to the implementation of solutions (services and support). Each operational division has a quality assurance unit (involving a total of nearly 40 people in 2013) in charge of defining, deploying, industrialising and monitoring the procedures, methods and tools under the coordination of the Operations Department.

The Process, Risk and Security (PRS) quality assurance unit of the Operations Department comprises eight people and is independent from the management of operational activities. In this regard, it offers external quality assurance for projects with a view to safeguarding production and ensuring compliance with client commitments, internal procedures and regulatory requirements, as well as the effectiveness of the quality assurance system. It continuously assesses the effectiveness of quality management, based on performance, client satisfaction and alignment with strategic goals. Projects are reviewed on a regular basis, at key phases in their life cycle. Organised by the Operations Department or its local representatives, these reviews provide an external perspective on the status and organisation of projects. Nearly 540 reviews of this type were conducted in 2013. Plans for changes in the Quality System are regularly undertaken based on observations made during these controls. Moreover, the system is regularly reviewed during increasingly frequent client audits. Any comments made or watch-points identified are used to improve the system.

The Operations Department is also responsible for the regular client satisfaction survey procedure. A systematic survey is conducted with all clients for whom a service assignment has been completed. Likewise, when cases processed by support are closed, clients are asked to provide information on the quality of the services. Furthermore, a panel of 65 "major clients" has been formed and is asked every six months for its degree of satisfaction in relation to the various components of Axway's solutions. The perception of the quality of the Company's products and services is thus monitored on a regular basis.

e. Ongoing supervision of the internal control system

Internal supervision system

The supervision of the internal control system is a responsibility shared by all employees. The Group's management bodies play a key role in this area.

Internal audit (under the authority of the Chief Executive Officer)

Pursuant to the internal audit charter adopted by the Company, this system, which has two employees, has the following aims:

- the independent and objective evaluation of the functioning of the internal control system *via* a periodic audit of entities;
- the development of all recommendations to improve the Company's operations;
- monitoring of the implementation of recommendations adopted by Executive Management;
- updating of the risk map.

The internal audit unit is under the authority of the Chief Executive Officer and has direct access to the Chairman of the Board of Directors. The Chief Executive Officer validates the internal audit plan based on the risk map as well as the priorities adopted for the year. This plan is reviewed by the Chairman of the Board of Directors and submitted to the Audit Committee for approval.

Nine internal audit missions were conducted under the 2013 audit plan.

Board of Directors (Audit Committee)

The Audit Committee is informed of the main characteristics of the internal control and risk management procedures adopted and implemented by the Executive Management to manage risks: organisation, roles and duties of the main players, process, risk reporting structure and control system monitoring procedure. In particular, it gains a global understanding of the procedures relating to the preparation and processing of accounting and financial information.

The Audit Committee keeps close track of internal audit activities by:

- reviewing the audit universe and risk map;
- approving the annual internal audit plan previously validated by the Executive Management;
- monitoring the results of the audits and implementation of the recommendations;
- interviewing the internal audit Manager annually in the presence of the Statutory Auditors but without the Management being present.

External procedures

Furthermore, the internal control system is also monitored by the Statutory Auditors and certifying agencies.

External audit

The Statutory Auditors are also tasked with ensuring the ongoing quality of the internal audit and procedures set up. The Statutory Auditors are called upon by the Company throughout the year. Their actions are not limited to the accounting department. To gain better understanding of the operations and the transactions in the financial statements, the Statutory Auditors hold regular meetings with Operational Managers, who are in the best position to explain Axway's business activities.

Certifications

In terms of security, in July 2012 Axway obtained HIPAA certification in accordance with American standards issued by the Department of Health and Human Services (HHS), which defines the security rules for the electronic management of health insurance in the United States.

Moreover, in 2013 Axway obtained Type 1 certification (SSAE 16/ISAE 3402) for its cloud services in the US. The objective of this standard is to reassure users of these outsourced services as to the reliability of the internal control system used on the services performed on their behalf.

4.2.2 Production of accounting and financial information

a. Coordination of the accounting and financial function

Organisation of the accounting and financial function

Limited number of accounting entities

As indicated above, the legal entities, and therefore the accounting entities, are limited in number (23 entities) (see 4.3.1.a "Organisational framework - Legal structure"), which provides operational efficiency and limits risks inherent to the function.

Centralisation of the accounting and financial function

As for most functions, the financial and accounting function is predominantly centralised within the Company. Local teams are of adequate size to best serve their role as correspondents within the subsidiaries. The Chief Financial Officer closely supervises his teams' activities, in particular through weekly and monthly steering meetings.

The responsibilities of the Finance and Administration Department mainly involve maintaining the individual accounts of the Company's subsidiaries and preparing the consolidated financial statements, management audits, tax issues, financing and cash accounting.

Supervision of the accounting and finance function

Involvement of Executive Management

The Finance and Administration Department reports to the Company's Executive Management. Like all of its entities, it participates in the monitoring and guidance system described above: weekly meetings dealing with ongoing business, monthly meetings devoted to a detailed examination of figures (achieved and forecast), the organisation of the function and the monitoring of large-scale projects (clients or development of the product portfolio).

Executive Management is involved in the planning and supervision process as well as in preparing the accounts close-out.

Role of the Board of Directors

The Board of Directors is responsible for the oversight of accounting and financial information. It reviews and validates the annual and interim financial statements. It is supported by the work of an Audit Committee described in paragraph 4.1.5 of Section 2 of the Registration Document.

Organisation of the accounting information system

Financial accounting

All Axway entities prepare complete quarterly financial statements on which the Company bases its published quarterly sales figures and interim financial statements. All these companies are fully consolidated.

Monthly cash flow forecasts are prepared for all companies.

Accounting policies and presentation

The accounting methods and principles used are those presented in the notes to the consolidated financial statements.

Any changes to them are, where necessary, presented to the Audit Committee.

The application of rules governing the recognition of software revenue is controlled before each closing by the Finance and Administration Department (Management Audit). The proper use of the percentage-of-completion method to evaluate projects is monitored on a permanent basis jointly by the Operations Department for client projects, which validates the commitment remaining on projects, and by the Finance and Administration (Management Audit).

b. Preparation of the published accounting and financial information

All of the Business Units prepare a monthly budget, a monthly operating statement and budget forecasts that are revised monthly. These procedures are designed to present the reality of operations and are based upon simple management rules that provide a clear view of performance.

The budget process, which is short in duration and takes place in the last quarter of the year, is a key event. It is the opportunity to apply the strategy approved by the Executive Committee, adapt the organisation to developments in business segments, market demand and competition, and assign quantitative and qualitative objectives to all entities. Budgets, including detailed monthly operating forecasts, are prepared by each unit. A monthly operating statement closed on the third working day of the following month is prepared by each of the Business Units. The third component of the management system is a revised operating statement prepared each month. This statement includes the results of the previous month and a revised forecast for the remaining months of the current year.

All of these documents are combined with numerous management indicators: concerning the economy (labour force participation rate, selling prices, average salary), Human Resources, invoicing and receipts, etc.

Sales activities (prospective clients, contracts in progress, signings, etc.) and cash accounting (client invoicing, receipts) are monitored on a weekly basis as part of the V1 sequences.

The results derived from the monthly management reporting documents are verified by financial controllers reporting to the Chief Financial Officer, who also reconcile these data with the quarterly accounting results. Certain key figures are reconciled on a monthly basis.

Procedures for the preparation of the consolidated financial statements

Each company establishes quarterly financial statements and prepares a consolidation pack.

The interim and annual consolidation packs are audited or reviewed by each company's external auditor. Once approved, they are used by the Finance and Administration Department and the consolidated financial statements are examined by the Statutory Auditors.

Approval of the consolidated financial statements

The half-yearly and annual consolidated financial statements are presented to the Executive Management by the Finances and Administration Department. For the year-end closing on 31 December, the Statutory Auditors perform a statutory audit of the Company's financial statements for the purpose of their certification.

Tasked with monitoring the statutory audits, the Audit Committee reviews the work and conclusions of the Statutory Auditors pursuant to their audits of the half-yearly and annual financial statements. The Audit Committee reviews the financial statements in order to confirm the Company's risk exposure, check the data collection and control procedures to guarantee the reliability of the information and ensure the consistency and appropriateness of the accounting methods.

The financial statements are then submitted to the Board of Directors for approval.

4.2.3 Evaluation, improvement process and measures to control the main risks

Internal and external evaluations of the internal control system and its procedures make it possible to identify areas of improvement and give rise to the set-up of action plans aimed at reinforcing internal control. Through internal audits, internal control is continuously evaluated for entities and business segments and lead to the implementation of corrective actions whenever necessary. No major failure of the internal control system had been identified to date.

Several measures have been set up to improve the internal control system. External certification will be obtained for some of these measures in order to confirm their conformity with best practices.

The continuous improvement programme coordinated by the Operations Department comprises a project aimed at improving the governance and harmonisation of the Quality Management System (QMS) initiated in 2013 and set to continue throughout the upcoming year.

In 2013, the Company continued to implement its comprehensive program for information security management (Axway Information Security Policy), pursuant to the requirements of ISO 27001, covering internal systems as well as the security aspects built into the Axway product suite.

Concerning cloud services, the Type 2 certification procedure (SSAE 16/ISAE 3402) will be extended to all entities in 2014.

In addition to the internal control and risk management system described in the previous paragraphs, details of the measures used to minimise risks are given in Chapter 3 Section 5 ("Risk Factors").

This report was approved by the Board of Directors in its meeting of 15 April 2014.

Paris, 15 April 2014

Pierre Pasquier

Chairman of the Board of Directors

STATUTORY AUDITORS' REPORT PREPARED PURSUANT TO ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE, ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS OF THE COMPANY

To the shareholders,

In our capacity as Statutory Auditors of Axway Software SA, and in compliance with the provisions of Article L. 225-235 of the French Commercial Code, we present our report on the report of the Chairman of the Board of Directors of your Company, pursuant to the provisions of Article L. 225-37 of the French Commercial Code, in respect of the financial year ended 31 December 2013.

It is the responsibility of the Chairman to draw up and submit for the approval of the Board of Directors a report on the internal control and risk management procedures implemented by the Company and which also provides the other disclosures required by Article L. 225-37 of the French Commercial Code, in particular those related to corporate governance.

It is our responsibility to:

- present to you any observations that we have on the basis of the information contained in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of accounting and financial information; and
- certify that the report includes any other disclosures required by Article L. 225-3 of the French Commercial Code, with the understanding that it is not our responsibility to verify the fair presentation of this information.

We performed our assignment in accordance with professional standards applicable in France.

Disclosures concerning internal control and risk management procedures relating to the preparation and processing of accounting and financial information

These standards require that we carry out work designed to assess the truth and fairness of the information in the Chairman of the Board of Directors' report on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information.

This work consisted notably of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information, underlying the information set out in the Chairman's report, as well as existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and existing documentation;
- determining whether any significant deficiencies in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have observed in the context of our mission are properly reported in the Chairman's report.

On the basis of the work that we performed, we have no comment to make on the information on the Company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information, contained in the report of the Chairman of the Board of Directors, prepared in compliance with the provisions of Article L. 225-37 of the French Commercial Code.

Other information

We hereby certify that the report of the Chairman of the Board of Directors includes all other disclosures required by Article L. 225-37 of the French Commercial Code.

Courbevoie and Paris, 22 April 2014

The Statutory Auditors

Auditeurs & Conseils Associés	**Mazars**
François Mahé	Christine Dubus

SPECIAL REPORT OF THE STATUTORY AUDITORS ON REGULATED AGREEMENTS AND COMMITMENTS

General Meeting convened to approve the financial statements for the year ended 31 December 2013

To the shareholders,

As the Statutory Auditors of your Company, we present our report on regulated agreements and commitments.

It is our responsibility to present to you, on the basis of the information given to us, the main features and conditions of the agreements and commitments about which we have been informed or that we might have discovered in the context of our assignment, without having to express an opinion on their usefulness or appropriateness or determine whether or not any other such agreements or commitments exist.

In accordance with the terms of Article R. 225-31 of the French Commercial Code, it is your responsibility to assess the interest of entering into such agreements and commitments when they are submitted for your approval.

In addition, it is our responsibility, where applicable, to present to you the disclosures required by Article R. 225-31 of the French Commercial Code relating to the execution, during the year under review, of the agreements and commitments already approved by the General Meeting.

We have carried out the verifications we deemed necessary in accordance with the professional standards and doctrine of the National Auditors' Association (Compagnie Nationale des Commissaires aux Comptes – CNCC) relating to this assignment. The verifications consisted in checking that the information given to us was consistent with the basic documents from which it derives.

Agreements and commitments subject to the approval of the General Meeting

Agreements and commitments authorised during the year under review

In accordance with Article L. 225-40 of the French Commercial Code, we have been advised of the following agreements and commitments which were subject to prior authorisation by your Board of Directors.

Service provision agreement signed between Sopra India and Axway Software

Persons concerned: Mr Pierre Pasquier and Sopra India.

Your Company signed a service provision agreement with Sopra India Private Ltd, a wholly-owned subsidiary of the Sopra Group, which is a shareholder of your Company, under the terms of which Sopra India invoices your Company for each service provided at a fixed price depending on the type of service.

Under this agreement, your Company incurred an expense of €2,510,631 for 2013.

Agreements and commitments for which the prior authorisation procedure was not applied

Pursuant to Articles L. 225-42 and L. 823-12 of the French Commercial Code, we call to your attention the fact that the prior authorisation procedure was not applied by the Board of Directors in respect of the agreements and commitments described below. It is our responsibility to provide you with an explanation as to why the prior authorisation procedure was not applied.

Debt write-off authorised to Axway Srl, a subsidiary of your Company

Person concerned: Mr Christophe Fabre.

Your Company authorised the write-off of a receivable of €837,166 from its subsidiary, Axway Srl. The agreement was not subject to prior authorisation by the Board of Directors owing to an involuntary omission.

It was approved retrospectively by your Board of Directors at its meeting of 13 February 2014.

Debt write-off granted to Axway Sdn Bhd, a subsidiary of your Company

Person concerned: Mr Christophe Fabre.

Your Company authorised the write-off of a receivable of €59,685 (MYR260,000) from its Malaysian subsidiary Axway Sdn Bhd. The agreement was not subject to prior authorisation by the Board of Directors owing to an involuntary omission.

It was approved retrospectively by your Board of Directors at its meeting of 13 February 2014.

Agreements and commitments already approved by the General Meeting

Pursuant to Article R. 225-30 of the French Commercial Code, we were informed that the execution of the following agreements and commitments, already approved by the General Meeting in prior years, continued in the year under review.

Agreements with Sopra Group

Sopra Group invoices your Company for services provided under agreements for the provision of premises and IT resources.

The expenses to be paid by your Company pursuant to these agreements, for the 2013 financial year, amount to €2,422,160 for the provision of premises and €83,560 for the provision of IT resources.

Assistance agreement signed with Sopra GMT

Your Company entered into an assistance agreement relating to functional divisions with the company Sopra GMT. Pursuant to this agreement, Sopra GMT provided to the Company the following services:

- coordination between the Sopra Group and Axway Software in relation to general policy and the development of synergies subsequent to the spin-off;
- strategy guidance;
- services relating to strategy, advice and assistance.

These services were invoiced to Axway Software and the Sopra Group on the basis of “cost plus 7%” (excluding expenses related to Sopra GMT’s activities involving management of its subsidiaries, estimated at around 5%), with Axway Software and the Sopra Group contributing 30% and 70% respectively. The two-year agreement signed on 1 July 2011 was renewed in July 2013 for an indefinite period and is subject to a 12-month termination notice (To be confirmed).

Application of this agreement allows Sopra GMT to invoice €249,211 to your Company for the 2013 financial year.

Courbevoie and Paris, 22 April 2014

The Statutory Auditors

Mazars	**Auditeurs & Conseils Associés**
represented by Christine Dubus	represented by François Mahé

3 BOARD OF DIRECTORS' REPORTS TO THE COMBINED GENERAL MEETING OF 4 JUNE 2014

BOARD OF DIRECTORS' MANAGEMENT REPORT

2013 was marked by:

- the successful market launch of the Axway 5 Suite, the signing of major contracts in the USA and France, and the confirmation of high demand for API-based solutions such as the offering stemming from the acquisition of Vordel, integrated in the Axway 5 Suite. The successful integration of this offering has resulted in the development of this activity in line with our expectations. The growth potential of API-based solutions has been confirmed for the years to come;
- the launch, in the 4th quarter, of new component versions for the Company's strategic technologies (MFT, B2B), reinforcing its leading position in these areas;
- Gartner's recognition of Axway (see Chapter 3.3.1.3);
- Axway's executive management reinforced by the arrival of new members from the global software industry's leaders.

After significant growth in the first three quarters of the year, the 4th quarter 2013 was down on previous years, due to the deferral of new contracts, mainly in the United States. These deferrals reflect difficulties in the execution of marketing programmes, resulting in operational adjustments. Consequently the "lead" recorded until the end of the 3rd quarter 2013 was partly lost.

1 2013 CONSOLIDATED FINANCIAL STATEMENTS

1.1 Consolidated income statement

1.1.1 Group results

(in millions of euros)	2013	2012	2011
Revenue	237.5	224.3	217.2
EBITDA	36.1	36.9	34.3
Operating profit on business activity	37.5	35.0	35.3
As % of revenue	*15.8%*	*15.6%*	*16.3%*
Profit from recurring operations	32.4	31.7	33.3
As % of revenue	*13.7%*	*14.1%*	*15.3%*
Operating profit	27.2	28.8	29.3
As % of revenue	11.4%	12.8%	13.5%
Net profit – Group share	35.6	24.7	21.5
As % of revenue	*15.0%*	*11.0%*	*9.9%*

Operating profit on business activity stands at €37.5 million in 2013 versus €35.0 million in 2012, up 0.2% in terms of percentage of revenue.

After expenses related to stock options, which remained relatively unchanged, and the amortisation of intangible assets (up due to the acquisition of Vordel in 2012), profit from recurring operations stands at €32.4 million versus €31.7 million in 2012.

Despite the expense stemming from the settlement of the GSA dispute, the operating profit for 2013 remains close to that of 2012 in terms of its amount and percentage of revenue.

Net profit increased by €10.9 million, going from €24.7 million in 2012 to €35.6 million in 2013, representing revenue growth of four percentage points. This improvement is mainly due to the capitalisation of tax loss carry forwards in the US subsidiary Axway Inc. At end-2013, this subsidiary's increased earning capacity compared with 2011 and 2012 and the expected continuation of this performance over the coming years, especially through the API Server offering, have allowed the capitalisation of tax loss carry forwards to the tune of five years of forecast results compared with two years at end-2012.

1.1.2 Revenue by activity

(in millions of euros)	**2013**	**2012 Reported**	**2012 *Pro forma***	**Total growth**	**Organic growth(1)**
Licences	75.6	71.4	75.4	5.8%	0.3%
Maintenance	106.3	98.2	98.2	8.3%	8.2%
Services	55.6	54.7	55.4	1.7%	0.4%
TOTAL	**237.5**	**224.3**	**229.0**	**5.9%**	**3.7%**

(1) At constant exchange rates and scope of consolidation.

License revenue was stable in 2013 after uneven performance in 2012; the positive reception given to the new Axway 5 Suite as well as the dynamic growth of API-based solutions had an impact on part of the 2013 financial year and should have a full-year impact in 2014.

Maintenance revenue showed excellent growth at +8.2%. This strongly recurring activity now accounts for over 45% of the Group's revenue. Services remained stable overall in 2013, despite different dynamics (cloud, Managed Services).

1.1.3 Revenue by region

(in millions of euros)	**2013**	**2012 Reported**	**2012 *Pro forma***	**Total growth**	**Organic growth(1)**
France	82.5	75.4	76.2	9.4%	8.4%
Rest of Europe	57.6	55.6	58.4	3.6%	-1.4%
Americas	90.7	86.5	87.8	4.8%	3.3%
Asia/Pacific	6.7	6.8	6.6	-0.6%	2.0%
TOTAL	**237.5**	**224.3**	**229.0**	**5.9%**	**3.7%**

(1) At constant exchange rates and scope of consolidation.

Good performance in France (8.4%) confirms the turnaround initiated in the 4th quarter 2012 and enables this region to start 2014 with a good business portfolio. The United States failed to confirm the growth recorded during the first three quarters of the year, due to the deferral of contracts in the 4th quarter 2013.

The other European countries posted uneven growth, ending the year at -1.4%, while the positive trend continued in Asia with growth of 2.0%. Overall, organic growth of 3.7% was recorded (total growth of 5.9%).

1.1.4 Comparison of financial years ended 31 December 2013, 2012 and 2011

(in millions of euros)	2013	2012	2011
Revenue			
Licences	75.6	71.4	77.8
Maintenance	106.3	98.2	85.0
Sub-total licences and maintenance	181.9	169.6	162.8
Services	55.6	54.7	54.4
Total revenue	**237.5**	**224.3**	**217.2**
Cost of sales			
Licences and maintenance	20.7	20.7	19.9
Services	51.4	51.1	49.3
Total cost of sales	**72.1**	**71.7**	**69.2**
Gross profit	**165.4**	**152.6**	**148.0**
As % of revenue	*69.6%*	*68.0%*	*68.1%*
Operating expenses			
Sales costs	70.8	64.1	61.5
Research and development costs	33.6	32.5	32.1
General and administrative costs	23.5	21.0	19.1
Total operating expenses	**127.9**	**117.6**	**112.7**
Operating profit on business activity	**37.5**	**35.0**	**35.3**
As % of revenue	*15.8%*	*15.6%*	*16.3%*

1.1.5 Cost of sales and gross margin

The gross profit on products (licenses and maintenance) improved in each period, as we managed to keep support costs down while increasing our maintenance revenue through our commercial approach. For the second half-year and for the year 2013 as whole, the gross profit on products increased thanks to the cost control efforts aimed at improving the service margin, as revenue remained stable over several periods. The effects of those efforts are reflected in the service margins posted at the end of 2013.

1.1.6 Sales & marketing, R&D and administrative expenses

Our operating expenses accounted for 53.9% of our revenue in 2013, versus 52.4% in 2012. This represents a €10.3 million increase (8.8%) compared with 2012. This increase in expenses includes approximately €5 million for the Vordel team. The rest of the increase in expenses stems from a capital expenditure for our operating activities, as stated below, to support the year's expected growth and move towards an infrastructure and teams with the capacity to achieve our main upcoming objectives.

In 2013, our sales and marketing costs accounted for 29.8% of our revenue, *i.e.* an increase of €6.7 million compared with 2012. In 2013, investments were made in our sales and marketing networks on our main markets in anticipation of growth, to create a sales network in Brazil and to invest in the APAC region. These investments include additional expenses of €1.2 million for marketing, to support our growth. The foreign exchange impact was around €2.0 million.

In terms of absolute value, R&D expenses increased but, as a percentage of revenue and given the increase in our total revenue, they diminished. Our research tax credit increased to €7.9 million compared with €6.1 million in 2012 and €5.6 million in 2011. Since Vordel Ireland was eligible for an R&D tax credit, we benefited from savings for the year as a whole. Moreover, we benefited from an increase in the research tax credit in France through the eligibility of other projects.

Our administrative expenses increased in 2013, due to the increase in Vordel's administrative expenses compared with initial costs. Furthermore, Human Resource and recruitment expenses increased significantly due to the growth of Axway's activities and payroll.

1.2 Balance sheet and financial structure

In 2013, Axway ended the year with a cash balance of €49.2 million, up €13.8 million on end-2012. Axway ended the 2013 financial year with a net debt of €11.2 million and equity totalling €258.4 million.

The net cash from operating activities amounted to €28.3 million in 2013, compared with €20.1 million in 2012. This improvement is mainly due to the changes in working capital requirements.

Compared with 2012, the main changes in assets concern the above-mentioned increase in deferred tax (+€12.8 million), the increase in available cash (+€13.8 million) and the decrease in trade receivables (-€7.8 million) due to the high portion of revenue earned in December 2012.

Compared with 2012, the main changes in liabilities concern the €4.4 million drop in the financial debt following the repayment of the first portion of the current loan and the €3.7 million drop in trade payables.

2 2013 PARENT COMPANY FINANCIAL STATEMENTS

2.1 Income Statement

- Revenue increased by 3.5% in 2013 to €140.8 million, versus €136.0 million in 2012.
- Operating profit amounted to €2.8 million in 2013, compared with €5.3 million in 2012.
- Net financial income decreased from €5.8 million in 2012 to €4.0 million in 2013.
- Pre-tax profit on ordinary activities decreased from €11.1 million in 2012 to €6.8 million in 2013.
- Exceptional income for 2013 was €2.6 million, compared with €2.5 million in 2012.
- The employee profit sharing expense rose from (-)€1.1 million to (-)€1.2 million and the corporate income tax expense from €2.6 million to €5.3 million.
- There was a net profit of €13.5 million in 2013, versus €15.1 million in 2012.

2.2 Balance Sheet

- Shareholders' equity rose from €170.9 million at 31 December 2012 to €177.0 million at end-2013.

This change was due primarily to the following factors:

- the net profit for the year of €13.5 million;
- additional depreciation of intellectual property, in the amount of (-)€2.5 million;
- payment of dividends in respect of the 2012 financial year, amounting to (-)€7.1 million;
- a capital increase of €2.2 million resulting from the exercise of options.

Pursuant to the provisions of Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, we hereby inform you that the balance of trade accounts payable at 31 December 2013 comprises the following:

(in millions of euros)	**Total outstanding amount**	**Amount not yet due**	**Amount due in less than 60 days**	**Amount due in more than 60 days**
31 December 2013	3,644	3,623	-	21
31 December 2012	4,174	4,057	42	75

Axway Software observes the payment terms required by law in France for trade accounts payable: a maximum of 60 days from the issue date of the invoice.

Fixed assets amounted to €213.0 million in 2013 versus €214.8 million in 2012. They consisted mainly of €184.0 million in non-current financial assets, €25.3 million in intangible assets and property, plant and equipment of €3.7 million.

3 STRATEGY AND TARGETS FOR 2014

3.1 Key events 2013

3.1.1 Rollout of the Axway 5 Suite well received by the market

Axway's new-generation offer, the Axway 5 Suite launched in 2013, was hailed by the markets and by Axway customers. It was presented at the annual "Connections" conferences held for the benefit of customers and partners in all regions where Axway operates, at briefings with the major market analysts, and to the media.

The Axway 5 Suite achieves the convergence of the integration market by bringing together all integration technologies in a single suite and by offering a common approach to governing the flows of data, whether these flows are exchanged through MFT (Managed File Transfer), B2B or API (Applications Programming Interface). This approach has also eased the integration of the API offer, stemming from the acquisition of Vordel, in Axway's product portfolio.

This announcement was welcomed by the market, and even more so by Axway customers as they recognise its distinctive approach: data flow governance which has always been present in the DNA of the offering. They also acknowledged the benefits of this approach: greater coverage of use scenarios, optimised implementation and operating costs, greater flexibility and agility in the life cycle of the products and, of course, the pooling of data flow governance services.

This good reception was translated into action as Axway recorded significant growth in revenues associated with the Axway 5 Suite, combining several products and several integration scenarios.

3.1.2 Confirmation of the relevance of the acquisition of Vordel and the new needs for API-based integration

Axway completed the integration of Vordel in 2013. The consolidation of the API market which followed Axway's acquisition of Vordel (acquisition of Layer7 by CA, Mashery by Intel, and Apiphany by Microsoft) confirms Axway's foresight and the relevance of its vision. Moreover, API-based solutions are progressively disrupting classic SOA (Service Oriented Architecture) solutions: numerous customers have been adding an API Gateway to their existing ESB (Enterprise Service Bus) and progressively transferring to the API Gateway integration scenarios previously created on their ESB architecture. From this point of view, API solutions are much more usable and make it possible to deploy services more easily and more rapidly, in particular the services that a company wants to open up to its ecosystem, *i.e.* its customers, employees, partners, etc. This has led some of Axway's competitors to make announcements without having definitely acquired such a technology. The position held by Axway in analysts' reports thus confirms the relevance of this acquisition, as well as the analysts' interest in "API management" and "hybrid integration" topics.

3.1.3 Axway's leadership recognised by top market analysts

Each IT/Software analyst firm has its own approach to the evaluation of market players according to its own market segmentation. In 2013, Axway was named a "Leader" in two Gartner Magic Quadrants, one for application integration ("Magic Quadrant for On-Premises Application Integration Suites," published on 27 June 2013[1]) and the other for service governance ("Magic Quadrant for Application Services

(1) *Gartner, "Magic Quadrant for On-Premises Application Integration Suites" by Jess Thompson, Yefim V. Natis, Massimo Pezzini, Daniel Sholler, Ross Altman, Kimihiko Iijima, 27 June 2013. The Gartner Report(s) described herein, (the "Gartner Report(s)") represent(s) data, research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner Inc. ("Gartner"), and are not representations of fact. Each Gartner Report is valid as of its original publication date (and not as of the date of this document) and the opinions expressed in the Gartner Report(s) are subject to change without notice.*

Governance," published on 8 August 2013(2)). As confirmed by Info-Tech Research Group's "Managed File Transfer Vendor Landscape" report published in 2013(3), Axway remains a market leader in MFT.

3.1.4 Numerous new Axway products

2013 has seen the launch of new Axway products including the following:

- Application Studio, for the end-to-end process to on board an enterprise of the ecosystem and to connect it to various electronic channels;
- Central Governance, for data flow governance, and in its first version, the governance of all file flows and the related file transfer products;
- the cloud offer has also been enhanced with new services: these include the cloud B2B service, enabling companies to outsource B2B exchanges with their ecosystem, and the availability of the API management offer on the Amazon cloud.

2013 also saw the release of new versions of existing products, such as:

- a new-generation B2Bi solution for the integration of B2B flows;
- a new-generation Sentinel solution for the web-based creation of intuitive dashboards by advanced users;
- a new version of CFT fully integrated with the Central Governance solution.

In line with the Axway 5 Suite approach, Axway also provides its customers with documented "reference implementations" including a detailed description of the combined use of a set of products in typical deployment architectures which can be reproduced from one customer to another. The advantage for the customer is increased confidence in the smooth operation of this combination of products and more efficient implementation, thus reducing implementation and operating costs.

3.1.5 Strengthening the distribution network

Axway acquired the assets of its distributors in Brazil (SCI) and Australia (Information Gateways) – effective from January 2014. Axway also strengthened its direct organisation regarding the management of customer accounts and marketing processes. Furthermore, Axway launched a global Alliance programme for partnerships with Tier 1 system integrators, who play a key role in the winning and implementation of major integration projects.

3.1.6 Strengthening the Company's management

As announced in press releases in December 2013, Axway strengthened the Company's management by recruiting new managers stemming from the global software publishing industry.

3.2 Strategic priorities for 2014

3.2.1 On going implementation of the strategy based on large integration projects and the Axway 5 Suite

Axway's business comprises several segments including a Tier 1 segment for large integration projects combining several products and requiring the Company's strategic commitment.

As evidenced in 2013, this segment is strategic for Axway's growth. In 2014, Axway will continue to focus major efforts on the management, monitoring and support of these tier 1 commercial opportunities. Concerning its offering, Axway will continue to improve the usability of the Axway 5 Suite through greater integration of the products, better interoperability, the progressive unification of data flow governance, and the supply of a catalogue of APIs for the Suite.

(2) *Gartner, "Magic Quadrant for Application Services Governance" by Paolo Malinverno, Daryl C. Plummer, Gordon Van Huizen, 8 August 2013. The Gartner Report(s) described herein, (the "Gartner Report(s)") represent(s) data, research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner Inc. ("Gartner"), and are not representations of fact. Each Gartner Report is valid as of its original publication date (and not as of the date of this document) and the opinions expressed in the Gartner Report(s) are subject to change without notice.*

(3) *Vendor Landscape: Managed File Transfer," Info-Tech Research Group, Inc., 4 September 2013.*

3.2.2 Seizing of opportunities arising from the digital market

The market and position of Axway's customers are changing rapidly, mainly due to the acceleration of transformations generated by the digital economy. Axway will strive to make the most of these new market opportunities (cloud, mobile and API). In addition, Axway is keeping a constant proactive lookout for acquisition opportunities, in order to expand the Axway 5 Suite, the distribution networks in terms of geography or in terms of industry, or the customer base.

3.2.3 Company's operating performance and focus on key processes

Axway has reinforced its Operations division and now has operations teams in all its departments. Axway is pushing ahead with the industrialisation of its processes, with major efforts being made in 2014 on marketing processes and the management of global, company-wide go-to-market programmes (which may be horizontal or vertical). Axway will continue to reinforce its distribution networks and its programme of strategic alliances with leading system integrators for large integration projects.

At the beginning of 2014, Axway created the position of Chief Technical Officer (CTO), covering all product management and R&D teams, in charge of innovation and the coherence of the offering, and tasked with speeding up strategic decisions on the product portfolio.

3.2.4 Deployment of Axway's corporate culture: "I am Axway, we are Axway".

Launched in 2013, Axway's new corporate culture is a key component of the Group's strategy, to further its growth and profitability objectives. The second phase of the deployment of this global corporate culture will be rolled out in 2014.

3.2.5 Outlook

Confident in the quality of its positioning, its competitive advantages and boosted by the excellent reception of its new products by clients, Axway is focussing on significant growth in 2014, both organic and through acquisitions, while at the same time maintaining the operating margin from business activities at its current level or higher.

3.3 Recent change

3.3.1 Press Release 24 March 2014

On 24 March 2014, the Company published the intent to acquire Systar SA in the following press release:

Axway announces its intent to acquire Systar SA, a leading provider of performance management software

Paris, 24 March 2014, Axway (NYSE Euronext: AXW.PA), is continuing to expand its governing flow of data positioning and announces **the start of exclusive negotiations for the acquisition** of a block representing **61%** of Systar's outstanding shares, exercising joint control over the company, at **€5.97** per share, bringing the total amount to **€34.3 million.**

After finalizing its acquisition of control over Systar, Axway will file a **simplified tender offer at the same price of €5.97 per share,** targeting Systar's remaining outstanding shares, in accordance with applicable regulations.

Systar is a leading publisher of operational performance management software which enables companies to maximize the effectiveness of their business activities and IT infrastructure, thereby helping them to become more proactive by anticipating problems, reducing risk factors and increasing their market share. With approximately 150 employees, the company's revenue for the 2012-2013 financial year amounted to €19 million.

Axway aims to continue to expand the operational performance management segment within its Axway 5 Suite and to benefit from the deep synergies already established with Systar regarding solution positioning and its customer base.

Axway will launch an information and consultation process with its employee representatives. The entire operation should be finalized in June 2014.

3.3.2 Press Release 17 April 2014

On 17 April 2014, the Company published that it has finalized the acquisition of 61% of the share capital of Systar SA in the following press release:

Axway announces that it has acquired a 61% stake in the share capital of Systar SA

Paris, April 17, 2014. Axway announces that it has finalized the acquisition of 61.02% of the share capital of Systar SA from the shareholders jointly controlling the company, at a price of €5.97 per share.

Axway continues to implement its planned acquisition, which had been announced on March 24, 2014 in a press release. The acquisition concerns all 5,750,120 shares owned by Ms Flasaquier, Messrs Kuster and Beauchamp and the non-trading company Porres. In so doing, the group aims to strengthen its data flow governance positioning by using operational performance management technologies intended for major companies.

Systar is a leading publisher of operational performance management software enabling companies to maximize the effectiveness of their business activities and IT infrastructure, thereby helping them to become more proactive by anticipating problems, reducing risk factors and increasing their own market share. With approximately 150 employees, the company's revenue for the 2012-2013 financial year amounted to €19 million.

Over the next few days, in accordance with applicable regulations, Axway will file a simplified tender offer (followed, if applicable, by a squeeze-out) on the remaining Systar SA shares at a price of €5.97 per share (subject to a clearance decision from the AMF and the work carried out by an independent expert).

Systar designated the Bellot, Mullenbach et Associés firm to act as an independent expert with a view to issuing a fairness opinion on the price offered in the context of the simplified tender offer and to prepare for a possible squeeze-out.

During its meeting of April 16, 2014, the Systar SA Board of Directors recorded the resignation of Ms Flasaquier, Mr Kuster and the non-trading company Porres from their duties. Messrs Fabre, Pasquier and Rullaud were co-opted as directors and Mr Christophe Fabre was appointed Chairman and Chief Executive Officer of Systar.

The entire transaction should be finalized in June 2014.

4 SUBSIDIARIES AND ASSOCIATED ENTITIES

4.1 Acquisitions of equity interests in subsidiaries and associated entities

4.1.1 First consolidation

During the financial year ended 31 December 2013, Axway Software SA decided to set up a new subsidiary, Axway Software do Brazil, to distribute its products directly in Brazil.

4.1.2 Deconsolidated entities

No company was deconsolidated during the financial year ended 31 December 2013.

4.1.3 Reorganisation of legal entities

No reorganisation of legal entities took place during the financial year ended 31 December 2013.

4.1.4 Restructuring measures

No restructuring measures were implemented during the financial year ended 31 December 2013.

4.2 List of subsidiaries and associated entities

Company				**Carrying amount of securities**					
Amounts in euros	**Share capital**	**Other shareholders' equity**	**Capital held** *(%)*	**Gross**	**Net**	**Loans and advances granted by the Company and not yet repaid**	**Latest financial year revenue excl. VAT**	**Latest financial year profit or loss**	**Dividends received by the Company during the financial year**
Axway Software (France)									
Axway UK Ltd (United Kingdom)	119,947	41,052	100.0%	148,270	148,270		10,769,104	524,956	864,688
Axway GmbH (Germany)	425,000	10,638,703	100.0%	23,038,194	11,038,194		24,839,060	1,431,585	1,200,000
Axway Srl (Italy)	98,040	-860	100.0%	98,127	98,127		3,716,640	39,376	
Axway Software Iberia (Spain)	1,000,000	208,917	100.0%	1,000,000	1,000,000		4,385,139	201,735	500,000
Axway Nordic (Sweden)	11,288	922,772	100.0%	20,706,081	1,606,081		4,976,565	164,510	
Axway Inc. (United States)	2	108,401,487	100.0%	120,266,278	120,266,278		115,772,798	18,295,659	
Axway B.V (Holland)	18,200	184,821	100.0%	200,000	200,000		4,147,690	207,735	800,000
Axway Belgium (Belgium)	1,000,000	136,749	99.9%	999,000	999,000		6,993,920	350,278	270,000
Axway Romania Srl (Romania)	11,740	1,934,860	100.0%	1,972,250	1,972,250		8,663,852	1,006,718	1,449,571
Axway SAS (France)	37,000	-9,838	100.0%	37,000	0		0	-1,920	
Axway Pte Ltd (Singapore)	114,850	430,891	100.0%	1	1	287,984	3,191,583	15,749	
Axway Ltd (Hong Kong)	9,352	81,382	100.0%	1	1	120,159	1,253,215	162,296	
Axway Pty Ltd (Australia)	64,838	-55,230	100.0%	1	1		2,695,902	124,277	
Axway Software China (China)	1,360,424	-1,200,310	100.0%	1	1		909,879	-5,683	
Axway Software SDN BHD (Malaysia)	55,285	-123,187	100.0%	1	0	34,566	40,848	71,546	
Axway Bulgaria EOOD (Bulgaria)	2,556	1,152,109	100.0%	979,846	979,846		6,896,377	1,088,927	1,022,584
Axway Distribution France (France)	1,000	9,054	100.0%	17,800	0	6,500	0	-1,375	
Vordel Ltd (Ireland)	141,815	9,188,070	100.0%	42,841,900	42,841,900		7,386,840	2,152,501	
Axway Software do Brasil (Brazil)	3,070	533	99.9%	3,255	3,255	1,357,754	1,012,381	-9,788	
Axway Inc. (United States)									
Tumbleweed Communications Holding GmbH (Switzerland)	16,292	33,028	100.0%	8,884	8,884		0	-49,320	1,199,198
Vordel Ltd (Ireland)									
Vordel UK Ltd (UK)	1	-702,106	100.0%	1	1		0	702,106	
Vordel Inc. (United States)	73	-3,633,766	100.0%	65	65	4,069,359	3,700	2,751,579	-

5 RISK FACTORS

Apart from the information contained in this Registration Document, investors are invited to take into consideration the risks described below.

The Company carried out a review of the risks which could have a significant unfavourable effect on its business, its financial situation or its earnings (or its capacity to achieve its objectives) and believes that there are no further significant risks other than those presented. Investors should nevertheless be aware that the list of risks presented in this Chapter is not exhaustive and that the Group may be exposed to other risks, either currently unknown or not considered, at the date of this Registration Document, as likely to have an adverse impact on the Group, its operations, its financial position, its business results or its prospects.

5.1 Risks associated with the Group's operations

5.1.1 Uncertainties related to the global economic environment

The Group's revenue, net profit and cash flow are significantly affected by the global economy and the financial markets.

By its nature, the IT industry is especially susceptible to economic cycles. Moreover, the infrastructure software market in which the Group is active has often shown greater sensitivity to worldwide economic upturns and downturns than the application software market. The deployment of a large-scale infrastructure network may represent an important portion of a client's technology budget. Consequently, decisions relating to this type of investment greatly depend on global economic conditions.

In light of the difficult economic context worldwide, the Group has faced declining revenue, net profit and cash flow in the past, or slower growth than anticipated, and might continue to face such challenges in the future, due, in particular, to the lack of certainty in the global economic climate and the future economic outlook. In addition, although signs of economic recovery have been perceptible in certain countries, the sustainability of a global economic upturn is not yet proven. If economic conditions remain uncertain, the Group might see lower levels of growth than in the past, which might have an adverse impact on the Group's operations and business results.

Furthermore, the Group is present mainly in the European and United States' markets and is currently developing operations in Asia's emerging markets. Apart from risks related to foreign exchange rates described later in this Chapter, due to its established presence in these geographic regions, the Group is particularly exposed to the risk of unfavourable developments in the economic context and/or regulatory regimes in the countries where it maintains operations.

The Group has several thousand clients, thus reducing the risk of dependency on a single client or group of clients. In 2013, no single client accounted for more than 2.7% of consolidated revenue. This risk is further reduced by the composition of the portfolio, which is made up of public sector entities and private sector companies operating in diverse business segments. Moreover, the structure and internal client risk management procedures minimise the risk of insolvency and give a delinquency rate of less than 0.004% of consolidated revenue. However, a number of business segments, such as banking, financial services, logistics, government agencies and health, account for a large part of the Group's revenue and may prove more susceptible than others to the economic uncertainties of the current context. This might lead existing or prospective clients in these segments to limit, postpone or cancel all or part of their information technology purchases or investments, or to reduce or terminate maintenance contracts as well as contracts for other services related to their installed base of systems, which might have an adverse impact on licensing and/or the Group's revenue. Sales cycles for licences to use the Group's software packages might also tend to lengthen in the face of current economic uncertainties.

In addition, the Group's ability to recover receivables might be affected by the financial difficulties of its clients, especially in the industry segments mentioned above.

Finally, the fact that clients increasingly seek to obtain the most competitively priced offerings might have a material adverse impact on the Group's business results, financial position and revenue.

5.1.2 Infringement of intellectual property rights of third parties

In the past, the Group has been the focus of claims alleging that its software packages infringed patent rights, particularly in the United States, and/or other intellectual property rights held by third parties, and it may continue to be targeted in this manner in the future, following the development of Axway software packages or through third-party software embedded in Axway software (including open source software used by Axway in its software packages. Irrespective of their validity, such claims could:

- be time-consuming, costly and lead to legal disputes;
- divert the management's attention and take up its time, thereby preventing it from concentrating on the Group's business;
- require the Group to stop the sale or use of some of its software packages or technologies;
- require licensing agreements which could be difficult to negotiate under acceptable conditions and, in particular, financial terms;
- oblige the Group to redesign its software packages, which may be very costly and may force the Group to defer its initial release schedule for the software concerned;
- force the Group to divulge information concerning its source codes, which may be the case for open source licenses;
- require the Group to pay damages to its clients pursuant to its commitments;
- have a material adverse impact on the Group's operations, financial position and revenue.

Axway strives to mitigate the risk of such claims for infringement of intellectual property rights by filing software patents whenever possible, by setting up a compliance programme concerning open source software, and by developing a legal approach at the very outset of any infringement claim.

5.1.3 Errors or technical deficiencies in software packages

The Company's software packages involve complex software engineering methods and often consist of millions of lines of code. For this reason, they may contain errors or technical deficiencies that might lead some clients to bring claims for damages suffered due to the use of a software package and/or business interruption losses or might result in higher costs for maintenance or guarantees.

Errors and technical deficiencies might arise within some of the Company's existing software packages and others it plans to develop in the future and may only be revealed after deployment, on first use or when new versions and updates are released.

Moreover, since the Company's software packages are often used in complex operating environments processing millions of individual transactions, any loss caused by an error or a technical deficiency, particularly one related to performance, might require the client to take remedial action thereby incurring excess costs (higher costs for maintenance and guarantees, allocation of human and financial resources, etc.). In addition, these technical deficiencies may tarnish the Company's reputation and ultimately lead to the loss of clients and/or business opportunities and/or to disputes with the clients in question.

The Company conducts quality assurance tests on all of its new software packages (and on all new versions and updates) so as to ensure, as far as is possible and within reasonable limits, that they are free of errors and technical deficiencies. Furthermore, the Company is in the process of adopting a general approach to the follow-up and management of unsatisfactory tests (including performance and reliability criteria). Furthermore, it is the client's responsibility to test the software package thoroughly before using it in a real-life environment. However, any claim for damages brought against the Group, even if unsuccessful, may involve protracted litigation and therefore high legal defence costs, with an adverse impact on the Group's brand image. So as to limit the financial consequences of the risk of errors within its software packages giving rise to damages for clients and third parties, the Group has taken out products liability insurance (see Chapter 3, Section 5.7). Nevertheless, although the amount of coverage provided is considerable, it may not be sufficient to offset all costs incurred as a result of errors of technical deficiencies.

5.1.4 Security of software packages

The Group operates in a market characterised by the rapid pace of developments in technology and is therefore exposed on a constant basis to the risks of software piracy and industrial espionage, as well as potential attacks by computer viruses or software bugs that may interfere with the proper functioning of its systems and software packages and of those installed on the premises of its clients, which may result in major losses. Apart from the potential for data loss, such circumstances may also have material adverse consequences for the Group's operations and its brand image. Furthermore, the increased use of laptops and mobile phones (in particular *via* API technology licensed by the Group) may increase the risk of unauthorised access to client data.

Given the importance of security concerns in the development of software packages, as much in relation to the Group's own products as to those used by the Group in connection with its operations, the Group has implemented measures to mitigate these potential risks.

In spite of all precautions taken, there can be no assurance that the Group will not fall prey to computer viruses, software bugs, piracy or, more generally, that it will not experience any failures in its information systems or its backup procedures, which may have a material adverse impact on its operations or its business results.

5.1.5 Protection of cloud services

Part of the Group's business consists in delivering services *via* the cloud using Axway software packages in the data centre. Our offer of cloud services often involves the storage and transmission of sensitive data in highly regulated areas such as financial and medical services. Any security breach in our infrastructures could expose the Company to a risk of unauthorised access to this sensitive data and could give rise to legal action against the Company and its possible liability. The security measures of our cloud services could be breached by a third-party action, including a deliberate action by hackers, an employee error, or any other action, and enable a third party to gain unauthorised access to sensitive client data. The Company strives to mitigate risks of a security breach by selecting certified suppliers, through the encryption of data in transit, and through the audit of the cloud environment to detect suspicious activities. Moreover, the Company conducts vulnerability tests to assess the integrity of control systems. Despite those measures, no guarantee can be given as to the prevention of all possible security breaches.

5.1.6 Innovation

Technology innovation is a constant feature of the market in which the Group operates. As a result, the Group's success depends in large measure on its capacity to develop new software packages (or improve existing ones) in order to better meet the needs of its clients. The Group must therefore anticipate any developments in technology likely to be desired by the market, in order to offer a range of solutions perceived by its clients as sufficiently differentiated from existing software and at prices the market will accept.

The Company continues to invest in order to develop new offers.

Despite the significant resources devoted by the Group in support of the development of new offerings and the improvement of its existing software packages (and most recently the Synchrony™ platform and the Axway 5 Suite), with R&D expenses totalling €33.6 million in 2013, the new software packages developed by the Group may not meet the market's expectations, and demand for its software packages may therefore fall, affecting its operating profit and financial position.

In a more general sense, any change in the Group's market position with respect to innovation may have a material adverse impact on the Group's operations, financial position and revenue.

5.1.7 Competition

The target market for the Group's software packages and services is characterised by fierce competition as well as the rapid pace of developments in technology and offerings. The Group competes with a wide range of companies of all sizes whose offers of products and services are similar to those of the Group. Some competitors have been present in the same market as the Group for longer and their financial and technology resources, as well as their development and marketing resources in support of their software products, are occasionally greater than those of the Group. Although the Group intends to increase its size in the future, moves towards consolidation in the sector might favour the emergence of large competitors with stronger financial backing than its own. In addition, the Group might lose market share and report weaker financial results in the face of heightened competition in its market. Hence, the arrival of one or more major competitors, especially a multinational IT company interested in expanding into the business interaction network software market in which the Group is positioned to offer either software packages and/or services, might affect the Group's market share in relation to its full range of solutions. The adverse impact of such a development might involve downward pressure on prices or the need for defensive actions entailing greater advertising and promotional expenditures, and thus materially affect the Group's operations, business results and financial position.

5.1.8 Production

The primary risk relates to the capacity to fulfil commitments to clients in terms of quality, delivery dates and cost: delivering products and services that meet the specifications, within the time limits agreed and within the budgets forecast, in particular in connection with major client projects. Providing responses to fully meet client demands and the control of production quality are among the key challenges faced by the Group. Any failure in this respect could have a material adverse impact on the Group's operations and financial results.

Controlling such risks requires a perfect knowledge of numerous constantly evolving technical and business environments, the application of a prior validation procedure covering technical, legal and financial aspects, a tried and tested project management methodology designed to integrate the use of production platforms that may be in a remote location, and a management system for monitoring and controlling technical and accounting aspects.

With regard to the control of the project management techniques to be implemented, a training programme was set up in relation to these challenges, which led to a total of 1,295 training days in 2013 (equivalent to an average of around 1.4 training days per employee in France and 2.82 training days for each employee based outside France).

Moreover, the Group cannot guarantee that the measures implemented will be sufficient to ensure the capacity of the Company and Group to fulfil their commitments.

5.1.9 Infrastructure and data management

The Group operates in a market notable for very rapid technological changes, thereby constantly exposing it to risks relating to infrastructure and data management. The control of these risks requires thorough knowledge of technical and functional environments. This control cannot be perfect, due in particular to the speed of technical changes and the number of players required for the efficient handling of infrastructure and data management processes.

The Company has decided to set up technical facilities to ensure the secure operation of its IT systems, in compliance with current professional standards. Systems for backing up data, monitoring infrastructures, and controlling access to sites and IT applications are thus deployed universally.

Moreover, the plan to separate the information systems of Axway Software from those of the Sopra Group, which was implemented during 2012 to cover the remaining applications or to complete the technical spin-off operations, continued in 2013. Minor actions remain to be carried out in 2014 to conclude the processes.

Furthermore, the Group ensures that it complies with the requirements of various national laws, such as HIPAA regulations in the United States. In addition, a global information security management project, based on ISO 27001 requirements, was launched in 2012 (Axway Information Security Policy) and continued in 2013. However, changes could take place in the laws applicable in the various countries, requiring time for their implementation by the Group. Consequently, despite the measures implemented, the Group cannot guarantee that the procedures set up are sufficient.

5.1.10 Dependence on key personnel

Given the complexity of its software packages, the Group's continued success is contingent upon its ability to ensure the harmonious management of its Human Resources and build the loyalty of staff members who are fully familiar with its software packages and their development processes, who have a good understanding of the approaches to the use of a given product that are suitable for each client. Any significant reduction in the number of highly experienced staff members, especially if they leave the Group to work for a competitor, might result in a lowering of Group standards with respect to client service and product quality, requiring additional recourse to sub-contractors, with a potential impact on the Group's revenue. Furthermore, the technologies employed by the Group require the presence of an experienced and motivated sales force on an ongoing basis. Any loss of key members of this team or any steep increase in their turnover rate might have a material adverse impact on the Group's revenue. The Group has not taken out any insurance policy providing coverage for the loss of highly experienced and qualified staff members. However, to limit the risk, the Group has set up training and incentive programmes, as well as stock option plans, which are set out in Chapter 3 Section 9 of this document. The Group has also developed and implemented a global training programme ("I am Axway") as well as an incentive programme to retain key employees. Lastly, the Group has diversified certain key functions and its resources in various geographical areas in order to reduce its dependence on a particular site. (Further information is available under section 9.2 on page 32 of this Registration Document.)

5.1.11 Uncertainty of business results

a. Seasonality

The software and services sector is characterised by high seasonal variations in business activity, generally reflected in strong performance in the last quarter of the year, and especially in the month of December.

As with most other software developers, signings of the Group's licence agreements are concentrated towards the end of the calendar year, which corresponds to the close of its accounting year. Clients delay their purchases to obtain larger discounts, to regulate the use of their budget or for other factors not related to the Group. Consequently, the cyclical nature of the Group's business activities limits the reliability of its forecasts. The Group's profitability in any given year or half-year period may thus be delayed to a certain extent, in particular if major contracts are involved, as the Group will need to wait for the definitive signing of the necessary contracts in order to recognise its revenue.

This phenomenon, whose magnitude may vary from year to year, results in changing levels of business activity, which may have an impact either on the Group's revenue or its annual or half-year results. In particular, the Group's revenue and profitability are weaker, as a rule, in the first half of the year compared to the second half.

b. Acquisitions

The Group decided to strengthen its presence in South America, especially in Brazil, by acquiring its long-standing distributor *via* an asset sale agreement and by creating a new subsidiary, Axway Software do Brazil. The aim of this operation is to promote the direct sale of its software packages in Brazil and to gain better visibility of the Brazilian market.

The Group also decided to strengthen its position in Australia. To this effect, the Group's Australian subsidiary signed an asset sale agreement with the long-standing distributor of Axway software packages, Information Gateways. This operation came into effect on 1 January 2014.

However, the Group cannot guarantee that these measures will allow the significant strengthening of its presence in the two countries mentioned above, due to the different variables underlying such operations, in particular the retention of key personnel and the clientele disposed of under the agreement, and any other event that would be detrimental to the operation.

The Group's ability to increase its revenue and its profit might depend in part on its capacity to identify other suitable acquisition targets, to carry out these acquisitions at an acceptable cost and to integrate them with its existing offering. Should it fail to achieve these objectives, the Group might not be able to implement its acquisition strategy.

The Group cannot provide any guarantee that it will be able to successfully integrate any companies that may be acquired, deliver the anticipated synergies, build loyalty among employees of the acquired companies or ensure that these acquisitions will increase the Group's profitability. Any future difficulties in these areas would be likely to have an adverse impact on the Group's financial results, financial position and prospects.

c. Changes in the Group's business activities

The Group's revenue is generated by software package licensing together with contracts for maintenance and professional services. In any given period, the results of the Group's operations would be very different should there be a marked shift in favour of one or another of these revenue sources.

d. Risks associated with the non-renewal of maintenance agreements

The Group's maintenance agreements are concluded for periods ranging from one to three years, subject to automatic renewal for successive one-year periods, and the rate of non-renewal of these maintenance agreements is currently less than 11%. Accordingly, the Group's exposure to the risk of non-renewal of these maintenance agreements is low. However, maintenance fees account for a significant portion of the Group's revenue. Consequently, non-renewal of maintenance agreements by a significant number of clients or clients accounting for a significant percentage of the Group's revenue could have a negative impact on the Group's financial results, financial position and outlook.

In addition to the risks detailed in items a to d of this Section 5.1.11, it should be noted that the Group's financial results and outlook could be affected by other factors such as exchange rate fluctuations (Chapter 3, Section 5.2.3 a), the global economic environment (Chapter 3, Section 5.1.1), or the Group's launch of software patches (Chapter 3, Section 5.1.3).

5.2 Risks associated with the Group's assets

5.2.1 Risks related to intangible assets

Intangible assets mainly comprise goodwill. As of 31 December 2013, goodwill amounted to €189.3 million (see Chapter 4) arising from the acquisition of companies in recent years and certain allocated intangible assets. Every year, the Group's executive management team tests its intangible assets for impairment. Acquisitions or disposals, revisions in standards, fluctuations in exchange rates or interest rates, changes in the Group's profitability, whether resulting from internal or external factors, might have a material adverse impact on the Group's business results or financial position.

5.2.2 Intellectual property risks

The Group's business is built upon the software packages it has developed over a number of years, either in their entirety or on the basis of acquired software packages or licences. Continuing to use and develop these software packages is primordial to ensure the Group's future success. The protection of intellectual property rights is fundamental to the Group's business. This protection is mainly afforded by copyright, patent, trademark and trade secret laws. Claims may be brought against the Group by third parties for infringement of intellectual property rights as described in Section 5.1.2, possibly resulting in recognition of such infringements. Moreover, the Group faces risks associated with the protection of its intellectual property rights as described in Section 5.5.2.

5.2.3 Market risks

a. Interest rate risk

The Company is exposed to an interest rate risk in connection with a medium-term credit facility (with a contractual maturity of five years as of the date of the initial listing) granted in the amount of €90 million under a "club deal". In addition to this loan, bank overdrafts in the amount of €20 million are also available.

At the date of this document, the Company had entered into interest rate hedging agreements with three banks to cover the risk linked to the syndicated loan in the event of a rise in Euribor rates. Under these agreements, the Company pays the three banks fixed interest at a known rate (0.40). In return, the banks pay the Company the interest based on the three-month Euribor, thereby giving the Company a fixed interest rate on its debt and enabling it to keep track of its maximum debt ratio.

The Group's exposure to interest rate risks and hedging instruments is detailed in Note 29.3 a) (page 160) of Chapter 4 "Consolidated financial statements".

b. Foreign exchange risk

The wide geographic distribution of the Group's operations entails the use of several different currencies. A significant proportion of the Group's assets, liabilities, revenue and expenses is denominated in currencies other than the euro, mainly the US dollar and, to a lesser extent, the Swedish krona and the pound sterling, while the Group's consolidated financial statements are euro denominated. Consequently, fluctuations in these currencies, and especially the US dollar, against the euro, have had a material impact on the Group's financial position and business results, and might also have such an impact in the future (see Note 32.3 of Chapter 4). For Axway, the dollar zone is a region where the Company has commercial activities which generate revenue, as well as development and support activities which carry expenses, including personnel costs. For this reason, fluctuations in exchange rates for the US dollar against the euro affect Axway's revenues and costs to a nearly equivalent extent and thus have only a limited overall impact, especially with respect to margin levels.

The Group's exposure to foreign exchange risk is reviewed in detail in Note 30.3 b) on pages 149-150 in Chapter 4 "Consolidated financial statements".

At the date of this document, the Company does not plan to enter into any forward currency contracts to hedge commercial transactions.

c. Equity risk

At the date of this document, the Group does not hold a portfolio of investment securities and does not consider itself as exposed to equity risk.

An additional review of this risk is given in Note 30.3 c) on page 150 in Chapter 4 "Consolidated financial statements".

5.2.4 Risks associated with various national legal frameworks

The Company has operations in more than fifteen countries throughout the world and consequently finds itself subject to the applicable laws in each of these countries. Most of these countries have laws on foreign investments and on companies under foreign ownership conducting business within their territories. These laws may be amended at any time and the Group's operating costs in a given country may prove to be higher than anticipated. These amendments may also alter tax regimes or make it more difficult to bring funds into or out of these countries, with the risk of excess costs. Moreover, due to its worldwide presence, the Group faces other types of risks such as: adverse changes in tariffs, taxes, export controls and other trade barriers, unanticipated changes to legal and regulatory requirements as well as political and economic instability in some countries. Any occurrence of this type of risk event might have a material adverse impact on the Group's business results.

5.3 Financial and liquidity risks

The Company aims to ensure that it has access at any time to the financial resources necessary to sustain ongoing activities and make the investments required for its future development.

The Company has carried out a review of its liquidity risk and believes that it is able to meet its future payments.

The Axway Group has a medium-term credit line of €90 million with a contractual maturity of five years as of the date of the initial listing (Club Deal involving the following banks: BNP Paribas, CIC Lyonnaise de Banque, Crédit Agricole Corporate and Investment Bank, HSBC France, Crédit Lyonnais and Société Générale).

During 2012, €40 million was drawn down on tranche A of this credit line to finance the acquisition of Vordel.

In addition to this medium-term credit facility, bank overdrafts in the amount of €20 million are also available. However, the Company's net debt may not exceed certain limits in order to maintain compliance with three ratios set under covenants (R1, R2 and R3), applicable from the moment funds are made available and calculated on the basis of Axway's consolidated financial statements (under IFRS):

$$\mathbf{R1} = \frac{\textbf{Net debt}}{\textbf{EBITDA}}$$

This ratio must remain below 3 until 30 June 2013 and be below 2.5 as from that date. Net financial debt as included in the calculation for these ratios does not take into account liabilities related to employee profit sharing.

$$\mathbf{R2} = \frac{\textbf{EBITDA}}{\textbf{Cost of net financial debt}}$$

This ratio must be higher than five.

$$\mathbf{R3} = \frac{\textbf{Net debt}}{\textbf{Equity}}$$

This ratio must be lower than one.

The cost of net financial debt as included in the calculation for these ratios does not take into account liabilities related to employee profit sharing.

At 31 December 2013, the calculation of these ratios gives the following results: R1 = -0.39 R2 = 53.39, R3 = -0.05.

The Group's repayments schedule is reviewed in detail in Note 29.2 of Chapter 4 "Consolidated financial statements".

Apart from these financial ratios, the Company has made a certain number of representations and warranties, and has undertaken commitments with its banks, all of which are in keeping with standard procedures for this type of financing, particularly with respect to restructuring efforts, acquisitions and disposals of certain assets, and the granting of a pledge relating to Axway's business goodwill, including in particular its client base, leasehold, equipment, goods and tools, its trade name, trademark or service mark and company name. For information, at 31 December 2013, all intangible assets taken together represented a gross value of €48.8 thousand and a net carrying amount of €28.8 thousand (see Note 16 of Chapter 4).

5.4 Credit risk

At present, the Company's clients are the main source of any credit risk to which it might be exposed. The Group's software packages are designed to handle millions of transactions and are particularly useful for major organisations engaged in high-volume business activities. This also implies that a single licensing agreement may represent several million euros. Given its broad revenue base, the Group is not dependent on any particular client (see Chapter 3, Section 5.1.1 "Uncertainties related to the global economic environment"). However, although the Group's clients are mainly blue-chip companies and organisations, it remains possible that the Group might be materially exposed in the event of a client's insolvency. In addition, the geographic scope of its operations exposes the Group to longer payment cycles.

Consequently, default by a client might have a material adverse impact on the Group's business results and its cash flow generation.

5.5 Legal risks

5.5.1 Disputes – Legal and arbitration proceedings

As stated in its press release, the Company came to an amicable settlement with the US General Services Administration (GSA) regarding the dispute between them and signed a settlement agreement amounting to $6.2 million (€4.7 million) on 23 October 2013. Note that this trade dispute related to the price schedule to which the US subsidiary is alleged to have agreed. Additional financial information is available in Note 10, on page 126, Note 33, on page 153 and on page 78 of this Registration Document.

As far as the Company is aware, there are no other governmental, legal or arbitration proceedings, known, in progress or to which it might be exposed, likely to have a material impact on the financial position or profitability of the Company and/or the Group, or which may have had such an impact during the past 12 months.

5.5.2 Intellectual property rights held by the Group

The Group's business rests on the software packages developed and integrated by the Group as well as the companies acquired over the years. For its continuing success, the Group must be able to continue to use and develop its software packages. The protection of intellectual property rights is fundamental and crucial to the Group's business. To this effect, the Group uses the various means at its disposal, namely copyright, patent, trademark and trade secret protection, as well as confidentiality measures and technical processes to protect its intellectual property rights.

The Company has set up measures to minimise the risks associated with its intellectual property rights. The Group holds patents and implements an active patenting policy for its software portfolio. Moreover, the Group has built in technical features in some of its software packages to prevent license infringements, unauthorised reproduction, or the unauthorised distribution of licenses for the Group's software packages, in breach of license terms and conditions.

Despite the measures adopted by the Group, the effectiveness of such measures may vary from one country to another. The measures implemented may have little or no effect in certain countries where intellectual property rights are not protected as they are in the United States or Europe. There is a risk, in particular in countries with insufficient legal security, that a third party may claim the intellectual property rights to part or all of the software packages, thereby allowing them to develop and exploit the Group's intellectual property rights. This could have an adverse impact on the Group's operations and give rise to additional expenses for the enforcement of its intellectual property rights. The Group's capacity to use or develop its software packages may thus be hindered. Should the risk described above materialise, the Group may be unable to maintain its competitive position on the market. This could have a material adverse impact on the Group's operations, business results and revenue.

5.6 Dependence on Sopra Group SA

5.6.1 Continued dependence on the Group for major decisions

Sopra Group SA and Sopra GMT, the financial holding company of Sopra Group SA and Axway, the founders and Geninfo retain an influence over the Company and major may take decisions concerning the Company, since they control Axway owing to their direct ownership interest, acting in concert, of around 59.74% of the voting rights (see Chapter 7, Section 2).

Furthermore, Sopra Group SA will appoint the members of the Company's Board of Directors and will thus have an influence on certain strategic decisions, such as investment and divestment plans that may be carried out by the Company.

Sopra GMT will also provide a certain number of services on behalf of Sopra Group SA and Axway Software (see Chapter 2, Section 3).

5.6.2 Dependence from an operating standpoint

The Company will continue to benefit from the services provided by Sopra Group SA under contracts negotiated at normal market prices for certain support functions during a transitional period, as well as other services (premises at Annecy and Puteaux) described in Chapter 2, Section 3. The cancellation or expiration of one of these contracts could have a material adverse impact on the Group's operations and financial position (in particular due to the Group's incapacity to perform the functions concerned in-house and/or related replacement costs).

In addition, the Company's operations in India will continue to benefit from the equipment made available and Human Resources (100 staff members) seconded by Sopra Group SA under an agreement dated 31 May 2010 concluded between Sopra India Private Limited, Sopra Group SA's Indian subsidiary, and Axway Software, that will be recharged according to terms renegotiated each year (€110 per day, per employee in 2013) (see Note 31.2 of Chapter 4).

5.7 Policy with respect to insurance

At the date of this document, the Company has implemented, for itself and for the Group, as necessary, an insurance programme to protect against the risks to which the Group is exposed, namely liability coverage for the Group's operations and property damage coverage for the Group's assets.

This insurance programme covers the risks associated with its operations in information systems engineering, the design, production, distribution, development, sales and marketing, publishing and/or installation and maintenance of all equipment, software packages and other software products, consulting, systems integration, training and technical assistance, and the design and production of computer-aided management or manufacturing systems.

This insurance programme has been taken out with a top-tier insurer, in consultation with and as selected by a broker appointed by the Company.

In the opinion of the Group, the insurance policies described below take into account the risks incurred by the Group. However, it is not inconceivable that the Group may be required to pay compensation for losses not covered by the insurance programme put in place.

1) Professional liability and operations liability insurance

The Group has taken out an insurance policy combining professional liability coverage with premises and operations liability coverage the purpose of which is to provide protection for the Group's various entities against the financial consequences of any liability they might incur due to bodily injury, property damage or economic loss, whether consequential or direct, caused to third parties and resulting from the Group's operations, professional negligence or the goods manufactured, sold and/or delivered by the Group. This policy also covers the additional costs incurred to prevent the occurrence of a loss or reduce its severity.

This insurance programme consists of a master policy, supplemented by local policies in the countries where the Group has subsidiaries (Germany, Belgium, Bulgaria, Spain, Ireland, Italy, Romania, the Netherlands, Sweden, the United Kingdom, Australia, China, Hong Kong, Malaysia, Singapore, Switzerland and the United States).

The master policy serves to provide broader coverage to the insured than that provided by the local policy and to increase the limits of coverage by supplying additional amounts as necessary. It thus includes "difference in conditions" (DIC) and "difference in limits" (DIL) clauses.

The overall coverage amount ("all-inclusive") under this insurance programme is €20 million per year and deductibles are between €15,000 and €150,000 per loss.

2) Employer's liability insurance

The purpose of this insurance policy is to cover the reimbursement of financial losses incurred by the Company (involving persons covered by laws relating to workplace accidents), comprised of supplementary contributions and compensation provided for in Articles L. 452-2 and L. 452-3 of the French Social Security Code.

These financial losses are covered if they result from workplace accidents having occurred or occupational diseases having manifested and been declared during the policy's validity period.

The overall coverage amount ("all-inclusive") under this insurance programme is €7,622,450 per insurance year and the deductible is €15,000 per loss.

3) Directors' and officers' liability insurance

The Group's senior executives are covered by a specific liability insurance policy, taken out by the Group, whose purpose is mainly to provide protection for company officers against the financial consequences of claims brought against them that may be attributed to any act of professional negligence committed during their term in office and to cover civil and criminal legal defence costs.

4) Property damage and computer all risks insurance

The Group is covered by a property damage/business interruption insurance policy whose purpose is to protect the assets (sites, equipment, workstations, etc.) of its various entities against the risk of loss or damage resulting, for example, from fire or natural disasters, as well as business interruption losses incurred by the Group.

Under the above-mentioned insurance policy, the Group enjoys property damage and business interruption coverage up to a cumulative total of €5 million euros per claim.

5) Assistance

On behalf of those of its employees, company officers, senior executives and directors who are often required to travel in the course of their work, the Group has taken out an insurance policy offering coverage in the event of accident or illness occurring during work-related travel.

6) Claim history under the Group's policies and insurance programmes

In the last three years, no major claim has been reported by any of the Group's entities under the policies described above (or others covering the Group in the past).

Subject to the indications included in this section, as a general rule the Group's claim history is very low, which has meant that it has been able to benefit from relatively low premiums and favourable conditions for coverage.

6 INFORMATION ON COMPANY OFFICERS

The information required under Article L. 225-102 of the French Commercial Code regarding the list of company officers and their compensation can be found in Chapter 2, Section 1 of this Registration Document.

6.1 Information on transactions in securities by directors or persons designated by Article L. 621-18-2 of the French Monetary and Financial Code

Pursuant to Article 223-26 of the General Regulation of the *Autorité des marchés financiers*, the following transactions involving Axway shares fell within the scope of Article L. 681-18-2 of the French Monetary and Financial Code during financial year 2013:

Category(1)	Name	Function	Transaction type(2)	Transaction date	Number of securities	Unit price	Transaction amount
a	C. Fabre	Chief Executive Officer	C	20/09/2013	80,000	17.50	1,400,000
a	C. Fabre	Chief Executive Officer	C	17/09/2013	90,000	17.50	1,575,000

(1) Category: a. members of the Board of Directors, Chief Executive Officer, Sole Chief Executive Officer, Managing Director.
(2) Transaction type:
A. Acquisition;
D. Disposal;
S. Subscription;
E. Exchange.

6.2 Employee share ownership

Pursuant to the provisions of Article L. 225-102 of the French Commercial Code, we hereby inform you that, at 31 December 2013, no shares in the Company were held by:

- employees of the Company or its affiliates through an employee savings plan;
- employees or former employees through company mutual funds (FCPE); and
- employees during periods of inalienability affecting share option subscription plans.

The Company set up a 2012 bonus share award scheme ("PAGA 2012" hereafter) of which the terms and conditions are given in Section 3 of this Registration Document in accordance with the eighteenth resolution of the Combined General Meeting of 28 April 2011 and the decision of the Company's Board of

Directors of 14 February 2012. The PAGA 2013 is governed by the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code

Moreover, the Company has decided that the beneficiaries of the PAGA 2012 May transfer their bonus shares to the Company savings plan, in accordance with the provisions of Article L. 3332-14 of the French Labour Code.

7 INFORMATION REQUIRED UNDER ACT 2006-387 OF 31 MARCH 2006 RELATING TO PUBLIC ACQUISITION OFFERS (ARTICLE L. 225-100-3 OF THE FRENCH COMMERCIAL CODE)

1. The Company's ownership structure is set out in Chapter 7 Section 2 of the Registration Document.
2. There are no restrictions in the Articles of Association on the transfer of shares, which are freely transferable, except where provided otherwise under applicable laws or regulations (Article 11 of the Articles of Association).

   The Company has not been informed of any contractual clauses providing for preferential terms for the sale or purchase of Company shares, pursuant to Article L. 233-11 of the French Commercial Code.
3. Any direct or indirect interests in the Company's capital of which the latter has been informed pursuant to Articles L. 233-7 and L. 233-12 are set out in Chapter 7 Section 2 of the Registration Document.
4. There are no special controlling rights.
5. There is no control mechanism provided under an employee share ownership scheme.
6. Agreements between shareholders of which the Company is aware and that may result in restrictions on share transfers and the exercise of voting rights can be found in Chapter 7 Section 2 of the Registration Document.
7. The regulations applicable to the appointment and replacement of the members of the Board of Directors comply with applicable legal and regulatory requirements and are set forth in Article 14 of the Articles of Association.

   The Articles of Association may be modified by the Company in accordance with applicable legal and regulatory provisions.
8. The powers of the Board of Directors are set out in Article 17 of the Articles of Association. *"The Board of Directors determines the overall business strategy of the Company and supervises its implementation. It examines any and all matters related to the efficiency and effectiveness of business operations and reaches decisions about any and all issues concerning the Company, within the limits of the corporate purpose and except for those matters which, by law, can only be decided on by the shareholders in a General Meeting."*

   Moreover, the Board of Directors has the delegated powers set out in Chapter 7, Section 5 of this 2012 Registration Document.
9. The agreements entered into by the Company that could be amended or terminated in the event of a change in control at the Company mainly concern the syndicated credit facilities arranged on 7 June 2011.
10. There are no agreements providing for the payment of compensation to members of the Board of Directors or employees upon resignation or dismissal without just cause or should their employment contracts be terminated following a public tender offer.

8 REPORT OF THE BOARD OF DIRECTORS ON THE RESOLUTIONS SUBMITTED TO THE GENERAL MEETING OF 4 JUNE 2014

The explanatory statement, agenda and resolutions submitted to the Combined General Meeting of 4 June 2014 are set out in Chapter 6 "General Meeting of 4 June 2014" of this Registration Document.

9 OTHER INFORMATION

SUMMARY OF RESULTS OF AXWAY SOFTWARE FOR THE PAST FIVE FINANCIAL YEARS

(in euros)	2013	2012	2011	2010	2009
Capital at end of financial year					
Share capital	40,930,354	40,642,076	40,301,282	75,620,000	75,620,000
Number of ordinary shares outstanding	20,465,177	20,321,038	20,150,641	1,990,000	1,990,000
Number of bonds convertible into shares					
Operations and results for the financial year					
Revenue excluding VAT	140,823,095	135,959,288	134,567,882	114,244,964	94,393,785
Results before tax, employee profit-sharing and depreciation, amortisation and provisions	12,636,275	16,152,038	25,594,204	14,165,750	15,579,249
Corporate income tax	-5,332,396	-2,557,207	-5,135,529	-2,776,626	-412,039
Employee profit-sharing and incentive schemes owed with respect to the financial year	1,222,312	1,070,259	938,662	1,917,430	708,532
Results after tax, employee profit-sharing, depreciation, amortisation and provisions	13,492,187	15,083,037	8,623,387	8,351,000	-5,369,854
Distributed earnings	8,186,071	7,112,363	5,037,360	7,920,200	
Earnings per share					
Results after tax, employee profit-sharing but before depreciation, amortisation and provisions	0.82	0.87	1.48	7.55	7.68
Results after tax, employee profit-sharing, depreciation, amortisation and provisions	0.66	0.74	0.43	4.20	-2.70
Dividend awarded per share	0.40	0.35	0.25	10.95	
Employee data					
Average number of employees during the financial year	622	616	608	603	601
Total payroll for the financial year	39,678,256	36,916,934	34,817,799	33,852,544	30,289,359
Total benefits paid with respect to the financial year (social security, employee welfare, etc.)	18,710,694	17,612,693	16,571,046	15,852,251	14,658,500

REPORT OF THE BOARD OF DIRECTORS ON THE USE OF THE DELEGATIONS OF AUTHORITY GRANTED BY THE COMBINED GENERAL MEETING OF 4 JUNE 2013 AND OTHER DELEGATIONS OF AUTHORITY WHICH EXPIRED DURING THE FINANCIAL YEAR

Dear Shareholders,

The purpose of this report, prepared in accordance with Articles L. 225-129-5 and R. 225-116 of the French Commercial Code, is to inform the Meeting of the use of the current delegations of authority granted to the Board by the General Meeting in accordance with the provisions of Articles L. 225-129-1 and L. 225-129-2 of the French Commercial Code.

I. Use of the delegations of authority granted by the General Meetings of 28 April 2011 and 24 May 2012

The authorisation granted to the Board of Directors in the **seventeenth resolution of the Combined General Meeting of 28 April 2011** to grant stock options to qualifying company officers and employees of the Group involving up to a maximum of 7% of the number of shares in the Company's capital as of the date the Board of Directors awards the options, **was used to the tune of 5.8%, coming in at 1.2% under the 7% limit, based on the share capital at 4 June 2013. The remaining portion of this delegation of authority shall lapse on the date of the Combined General Meeting, *i.e.* 4 June 2013**.

The power granted to the Board of Directors by the **thirteenth resolution of the Ordinary General Meeting of 24 May 2012**, to buy back ordinary shares in the Company, involving a maximum of 10% of the total number of ordinary shares as of the date of the buybacks, for a total of up to seventy five million one hundred and eighty seven thousand eight hundred and forty one euros (€75,187,841) in theory representing a maximum of 2,032,103 ordinary shares, **was used to the tune of 0.016, thereby reducing the limit from 10% to 9.84%. Thus, 33,530 Company shares were bought back within the scope of the liquidity contract, based on the Company's share capital at 4 June 2013. The portion still not used on that date lapsed at the close of the Combined General Meeting of 4 June 2013**.

The other delegations of authority were not used. The summary of the issue authorisations granted by the General Meetings is presented in Chapter 7 Section 5 of this Registration Document.

II. Use of the delegations of authority granted by the Combined General Meeting of 4 June 2013

The power granted to the Board of Directors by the **eighteenth resolution of the Combined General Meeting**, to buy back ordinary shares in the Company, involving a maximum of 10% of the total number of ordinary shares as of the date of the buybacks, for a total of up to seventy five million one hundred and eighty seven thousand eight hundred and forty euros and sixty cents (€75,187,840.60), **was used to the tune of 0.14% thereby reducing the limit from 10% to 9.86% (based on the Company's share capital at 31 December 2013). Thus, 28,655 ordinary Company shares were held within the scope of the liquidity contract at 31 December 2013.**

The authorisation granted to the Board of Directors by the **nineteenth resolution of the Combined General Meeting** to cancel the shares bought by the Company within the scope of the share buyback programme **was not used**.

The power granted to the Board of Directors by the **twentieth resolution of the Combined General Meeting** to increase the share capital through the capitalisation of reserves, retained earnings, additional paid-in capital or other items **was not used**.

The power granted to the Board of Directors by the **twenty-first resolution of the Combined General Meeting** to increase the share capital by issuing ordinary shares and/or securities convertible into ordinary shares while maintaining preferential subscription rights and/or securities giving entitlement to the allocation of debt securities **was not used**.

The power granted to the Board of Directors by the **twenty-second resolution of the Combined General Meeting** to increase the share capital by issuing ordinary shares and/or securities convertible into ordinary shares while cancelling preferential subscription rights and/or securities giving entitlement to the allocation of debt securities, by private placement, **was not used**.

The power granted to the Board of Directors by the **twenty-third resolution of the Combined General Meeting** to increase the share capital by issuing ordinary shares and/or securities convertible into ordinary shares while cancelling preferential subscription rights and/or securities giving entitlement to the allocation of debt securities, within the scope of a public offering, **was not used**.

The authorisation granted to the Board of Directors by the **twenty-fourth resolution of the Combined General Meeting** to increase the size of the initial issue for the issue of ordinary shares or securities convertible into ordinary shares, with or without maintaining preferential subscription rights, decided pursuant to resolutions 21 to 23, **was not used**.

The power granted to the Board of Directors by the **twenty-fifth resolution of the Combined General Meeting** to issue ordinary shares and/or securities convertible into ordinary shares to compensate contributions in kind made to the Company and comprising equity securities or convertible securities, outside public exchange offers, **was not used**.

The authorisation granted to the Board of Directors by the **twenty-sixth resolution of the Combined General Meeting** to set the issue price of ordinary shares or any securities convertible into ordinary shares, in the event of cancellation of preferential subscription rights, for up to 10% of the capital per year, **was not used**.

The authorisation granted to the Board of Directors by the **twenty-eighth resolution of the Combined General Meeting** to increase the share capital by issuing ordinary shares reserved for Axway Group employees who are members of a company savings plan **was not used.**

The authorisation granted to the Board of Directors by **the twenty-ninth resolution of the Combined General Meeting** to grant stock options to qualifying company officers or employees of the Axway Group involving up to 7% of the number of shares in the Company's capital on the date of the award, **was used to the tune of 0.47%, thereby reducing the limit from 7% to 6.53%, based on the share capital as at 31 December 2013.**

The authorisation granted to the Board of Directors by the thirtieth resolution of the Combined General Meeting to grant bonus shares, whether existing or to be issued, to qualifying company officers or employees of the Axway Group **was not used**.

The authorisation granted to the Board of Directors by the **thirty-first resolution of the Combined General Meeting** to grant redeemable share warrants (BSAARs) to company officers or employees of the Company or its Group, without preferential subscription rights for shareholders, **was not used**.

Paris, 15 April 2014,

The Board of Directors

BOARD OF DIRECTORS' REPORT CONCERNING STOCK OPTIONS (DRAWN UP IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE L. 225-184 OF THE FRENCH COMMERCIAL CODE)

Dear Shareholders,

The purpose of this report, prepared in accordance with Article L. 225-184 of the French Commercial Code, is to inform the General Meeting of the operations carried out, pursuant to the provisions of Articles L. 225-177 to L. 225-187 of the French Commercial Code, concerning the Company stock options awarded and exercised during the past financial year.

I. Stock options granted during the financial year ended 31 December 2013

A summary of the operations carried out in 2013 under the various stock option plans set up by the Company is set out below.

a. Stock options granted to executive officers during the financial year ended 31 December 2013

Stock options awarded to each executive officer by the Company and all Group companies during the financial year

Name of executive officer	Number and date of plan	Type of options (purchase or subscription)	Valuation of options based on the method used for the consolidated financial statements	Number of options awarded during the year	Exercise price	Option exercise period
-	-	-	-	-	-	-

b. Amendment No. 1 to Stock Option Plan No. 3

At its meeting of 19 February 2013, based on Resolution No. 17 approved by the Combined General Meeting of 28 April 2011 and the contractual provisions applicable to stock option Plan No. 3 set up on 30 August 2011, the Board of Directors adopted Amendment No. 1 to said Plan No. 3, increasing the number of options that may be awarded under the Plan and the number of beneficiaries, in order to extend this plan to new personnel having joined the Group and/or personnel meeting the plan's allocation conditions, and subdelegated the implementation of this Amendment No. 1 to the Chief Executive Officer.

Pursuant to this subdelegation, the Chief Executive Officer:

- finalised and approved, on 28 March 2013, the terms of Amendment No. 1 to Plan No. 3, and thus awarded a total of 262,500 stock options with an exercise price of €15.90 to 26 members of staff;
- the vesting schedule governing the options awarded under Amendment No. 1 to Plan No. 3 is as follows:
  - half of the options awarded will vest at the end of a period of thirty (30) months from the award date,
  - the other half of the options awarded will vest on the fifth (5th) anniversary of the award date;
- no lock-in period (except for beneficiaries subject to the French stock option regime and foreign beneficiaries subject to specific legal requirements in their country of origin), or performance conditions are attached to the award or exercise of the stock options.

c. Stock options granted to the top 10 employees (non-company officers) during the financial year ended 31 December 2013

Share subscription options granted to the top 10 employees (non-company officers) and options exercised by them	Total number of options awarded	Weighted average price	Date
Options granted during the financial year by the Company and any company within the option award scope, to the 10 employees of the Company, and of any company within this scope, who received the most options in this way (aggregate information)	181,000	€15.90	Amendment No. 1 to Plan No. 3 dated 28 March 2013

d. Stock options granted to all employee beneficiaries during the financial year ended 31 December 2013 and breakdown of these options by category of beneficiaries

Stock options granted to the 26 employee beneficiaries during the financial year under review			
Total number of stock options granted by the Company and any company within the option award scope during the financial year under review	**Date of plan**	**Exercise price**	**Expiry date**
262,500	28 March 2013	€15.90	27 March 2021
Breakdown of stock options awarded during the financial year under review			
Top management			7 beneficiaries; the average number of options granted per beneficiary is 19,285.7
Employee levels 4, 5 and 6 and/or key employees			19 beneficiaries; the average number of options granted per beneficiary is 6,071.4

II. Stock options exercised during the financial year ended 31 December 2013

a. Stock options exercised by executive officers during the financial year ended 31 December 2013

STOCK OPTIONS EXERCISED DURING THE FINANCIAL YEAR BY EACH EXECUTIVE OFFICER

Name of executive officer	Number and date of plan	Number of options exercised during the year	Exercise price
Pierre Pasquier	-	-	-
Christophe Fabre	-	-	-
TOTAL	**-**	**-**	**-**

b. Stock options exercised by the top 10 employees (non-company officers) during the financial year ended 31 December 2013

Share subscription options exercised by the top ten employee beneficiaries (non-company officers)	Total number of options exercised/shares purchased	Weighted average price	Plan No. 1	Plan No. 2	Plan No. 3
Company options exercised during the financial year by the 10 employees of the Company or any company within the option award scope, who subscribed for the largest number of shares (aggregate information)	144,094	15.90	127,142	16,952	-

III. Options cancelled during the financial year ended 31 December 2013

For information purposes only, during the financial year ended 31 December 2013:

- no share subscription options were cancelled under Plan No. 1;
- no share subscription options were cancelled under Plan No. 2;
- 69,100 share subscription options were cancelled under Plan No. 3.

Paris, 15 April 2014

The Board of Directors

SPECIAL REPORT OF THE BOARD OF DIRECTORS ON THE AWARDING OF BONUS SHARES (DRAWN UP IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE L. 225-197-4 OF THE FRENCH COMMERCIAL CODE)

Dear Shareholders,

The purpose of this report, prepared in accordance with Article L. 225-197-4 of the French Commercial Code, is to inform the Meeting of the operations carried out during the past financial year under the Company's bonus share award schemes.

I. Bonus share allocation plan set up in 2012

As a reminder, in its eighteenth resolution, the Combined General Meeting of 28 April 2011, after having read the Board of Directors' report and the Statutory Auditors' special report, and subject to the condition precedent of the admission of the Company's shares to trading on the NYSE Euronext Paris regulated market and in accordance with Articles L. 225-197-1 *et seq.* of the French Commercial Code:

1. authorised the Board of Directors to grant, free of charge, on one or more occasions, at its choice, either existing shares of the Company or shares to be issued, to qualifying employees or company officers (within the meaning of Article L. 225 197 1 II paragraph 1 of the French Commercial Code) of the Company or to certain of such employees or officers and of the companies and economic interest groups affiliated with the Company pursuant to the conditions defined in Article L. 225-197-2 of the French Commercial Code;
2. resolved that the total number of shares awarded, whether they consist of existing shares or shares to be issued, may not exceed 1% of the Company's share capital on the date of the Board of Directors' decision to award them, taking into account the number of shares to be issued, if applicable, pursuant to the adjustments required to preserve the rights of the beneficiaries of the bonus shares, this ceiling being independent from the overall ceiling set by the fifteenth resolution of the Combined General Meeting of 28 April 2011.

At the Board meetings of 4 October 2011, 3 November 2011 and 14 February 2012, pursuant to the authorisation granted under said resolution, the Board decided to award bonus shares to all eligible company officers and employees of the Company and its affiliates within the meaning of Article L. 225-197-2 of the French Commercial Code, and laid down the terms and conditions for the award of the bonus shares within the scope of a first Plan involving 76,950 shares (the 2012 Plan) and of which the main characteristics are the following:

- equal allocation of 45 shares per employee, it being specified that on that date the value of the Company's shares was €15 per share;
- the 2012 Plan applies to 1,710 Group employees, under the condition that:
  - the employees are currently under an open-ended or fixed-term employment contract with the Company or one of its subsidiaries, and
  - on the allocation date, the employees have been working for the Company or one of its subsidiaries for at least three months.

Moreover, the Board resolved that, due to the different fiscal and social-security regulations in the various countries in which the Group employees work, the duration of the vesting period and lock-in period (if any) may vary from one country to another. For this reason, the Company launched an international Plan as well as a specific Plan for Spain and Italy, of which the main characteristics are the following:

- the vesting period runs from 14 February 2012 to February 2014 inclusive. The shares shall be transferred to the beneficiaries provided that, on 14 February 2014, they are eligible company officers within the meaning of Article L. 225 197-1 II paragraph 1 of the French Commercial Code or employees of the Company and have been so in a continuous way since the award of the bonus shares;
- the bonus share lock-in period is as follows:
  - 14 February 2014 to 13 February 2016 for France and other Group companies,
  - 14 February 2014 to 13 February 2017 for Spain and Italy.

Moreover, in order to enable employees in France to place their bonus shares in their Company Savings Plan, in accordance with the provisions of Article L. 3332-14 of the French Labour Code, the Company signed an agreement with its Works Council on 10 February 2012 on the distribution of the bonus shares, providing for equal allocation of those shares.

Within the scope of the 2012 bonus share allocation plan:

- 45 bonus shares were awarded to the Company's Chief Executive Officer Christophe Fabre by the Board on 14 February 2012, in accordance with the provisions of Article L. 225-197-2 of the French Commercial Code, in respect of his office and duties within the Company; on that date, the value of the Company's shares was €15 (closing price); no bonus shares were awarded to the Company's other corporate officers in respect of their duties for the year ending 31 December 2012;
- no bonus shares were awarded to corporate officers of the Company by companies which it controls within the meaning of Article L. 233-16 of the French Commercial Code, in respect of those corporate officer's roles or duties within those companies; and
- summary table of performance-based shares awarded to each company officer under the 2012 Plan.

PERFORMANCE-BASED SHARES AWARDED TO EACH COMPANY OFFICER

Performance-based shares awarded by the General Meeting of Shareholders during the year to each company officer by the issuer or by any Group company	Number and date of allocation of plan	Number of shares allocated during the year	Valuation of shares based on the method used for the consolidated financial statements	Vesting date	Availability date	Performance requirement
Christophe Fabre, Chief Executive Officer	PAGA Plan No. 1 dated 14 February 2012	45	€13.20 per share, *i.e.* a total of €594 for the 45 shares	13 February 2016	The bonus shares awarded must be kept by the Chief Executive Officer throughout his tenure at the head of the Company.	No performance requirement was specified as the PAGA 2012 set up by the Company is not subject to such a requirement.
Pierre Pasquier		-	-	-	-	-
TOTAL		**45**	**€594**	**-**		

II. Bonus shares awarded during the financial year ended 31 December 2013

No bonus share allocation plan was set up during the financial year ended 31 December 2013. Consequently, no bonus shares were granted to company officers, or to the top 10 employees or any other employees, by the Company or its affiliates within the meaning of Article L. 225-197-2 of the French Commercial Code, or by controlled entities within the meaning of Article L. 233-16 of the French Commercial Code.

Paris, 15 April 2014,

The Board of Directors

BOARD OF DIRECTORS' REPORT ON THE AUTHORISATION GRANTED BY THE GENERAL MEETING TO ISSUE REDEEMABLE SHARE WARRANTS (BSAARS) FOR THE BENEFIT OF EMPLOYEES AND CORPORATE OFFICERS OF THE COMPANY OR ITS GROUP

The Board of Directors did not use the authorisation granted by the thirty-first resolution of the Combined General Meeting of 4 June 2013 to award BSAARs to employees and corporate officers of the Company or its Group.

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CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2013, 2012 AND 2011

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CONSOLIDATED STATEMENT OF NET INCOME

		2013	2012	2011
(in thousands of euros)	**Notes**	**Amount**	**Amount**	**Amount**
Revenue	**4**	**237,545**	**224,320**	**217,244**
Employee costs	5	-148,564	-139,976	-132,619
Purchases and external expenses	6	-52,263	-48,727	-50,629
Taxes and duties		-2,101	-2,161	-1,612
Depreciation, amortisation and provisions	7	-3,919	-4,906	-2,909
Other ordinary operating income and expense		6,770	6,416	5,828
Operating profit on business activity		**37,468**	**34,966**	**35,303**
as % of revenue, excl. tax		***15.8%***	***15.6%***	***16.3%***
Expenses related to stock options and similar	8	-1,352	-1,147	-146
Amortisation of allocated intangible assets	9	-3,679	-2,130	-1,858
Profit from recurring operations		**32,437**	**31,689**	**33,299**
as % of revenue, excl. tax		***13.7%***	***14.1%***	***15.3%***
Other operating income and expenses	10	-5,271	-2,939	-3,967
Operating profit		**27,166**	**28,750**	**29,332**
as % of revenue, excl. tax		***11.4%***	***12.8%***	***13.5%***
Cost of net financial debt	11	-674	-51	-1,633
Other financial income and expense	12	-656	-63	-1,034
Tax expense	13	9,759	-3,976	-5,208
Net income from associates		-	-	-
Net income from continuing operations		**35,595**	**24,660**	**21,457**
Net income from discontinued operations		-	-	-
Consolidated net income		**35,595**	**24,660**	**21,457**
as % of revenue, excl. tax		***15.0%***	***11.0%***	***9.9%***
Minority interests		-	-	1
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT		**35,595**	**24,660**	**21,456**

EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

(in euros)	**Notes**	**2013**	**2012**	**2011**
Basic earnings per share	**14**	**1.75**	**1.22**	**1.20**
Fully diluted earnings per share	**14**	**1.72**	**1.21**	**1.18**

Other comprehensive income statement items

(in thousands of euros)	Notes	2013	2012	2011
Consolidated net income		**35,595**	**24,660**	**21,457**
Other comprehensive income statement items:				
Actuarial gains and losses on retirement obligations		527	-208	-76
Impact of taxes		-181	71	26
Subtotal of items non-recyclable to profit or loss		**346**	**-137**	**-50**
Translation differential		-7,853	-2,195	4,978
Change in derivatives		-95	-84	-
Items relating to associates		-	-	-
Items relating to discontinued operations		-	-	-
Impact of taxes		-16	50	37
Subtotal of items recyclable to profit or loss		**-7,964**	**-2,229**	**5,015**
Total other comprehensive income, net of tax		**-7,618**	**-2,366**	**4,965**
COMPREHENSIVE INCOME		**27,977**	**22,294**	**26,422**
Minority interests		-	-	1
Attributable to Group		**27,977**	**22,294**	**26,421**

STATEMENT OF CASH FLOWS

(in thousands of euros)	2013	2012	2011
Consolidated net profit (including minority interests)	**35,595**	**24,660**	**21,457**
Net charges to depreciation, amortisation and provisions	8,011	5,830	4,365
Unrealised gains and losses relating to changes in fair value	-196	-	-
Share-based payment expense	1,352	1,147	146
Other calculated income and expense	390	-555	437
Gains and losses on disposal	130	-127	-158
Cash from operations after cost of net debt and tax	**45,282**	**30,955**	**26,247**
Cost of net financial debt	674	51	1,633
Income taxes (including deferred tax)	-9,759	3,976	5,208
Cash from operations before cost of net debt and tax (A)	**36,197**	**34,982**	**33,088**
Tax paid (B)	-4,325	-4,151	-5,830
Changes in operating working capital requirements (included liabilities related to employee benefits) (C)	-3,540	-10,779	8,078
Net cash from operating activities (D) = (A+B+C)	**28,332**	**20,052**	**35,336**
Purchase of property, plant and equipment and intangible assets	-3,004	-6,194	-3,456
Proceeds from sale of property, plant and equipment and intangible assets	12	1	67
Purchase of financial assets	-378	-116	-343
Proceeds from sale of financial assets	22	149	177
Impact of changes in the scope of consolidation	-291	-39,401	-
Net cash from (used in) investing activities (E)	**-3,639**	**-45,561**	**-3,555**
Proceeds on issue of shares	-	-	61,195
Proceeds on the exercise of stock options	2,207	2,149	-
Purchase and proceeds from disposal of treasury shares	-139	64	-549
Dividends paid during the year	-	-	-
• Dividends paid to shareholders of Sopra Group SA	-7,101	-5,025	-21,784
• Dividends paid to minority interests of consolidated companies	-	-1	-1
Change in borrowings	-4,400	40,000	-
Change in current account – Sopra Group	-	-	-68,432
Net interest paid (including finance leases)	-673	-63	-1,633
Other cash flow relating to financing activities	362	184	359
Net cash from (used in) financing activities (F)	**-9,744**	**37,308**	**-30,845**
Effect of foreign exchange rate changes (G)	-1,154	-104	465
CHANGE IN NET CASH AND CASH EQUIVALENTS (D + E + F + G)	**13,795**	**11,695**	**1,401**
Opening cash position	35,370	23,675	22,274
Closing cash position	49,165	35,370	23,675

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

ASSETS *(in thousands of euros)*	Notes	31/12/2013	31/12/2012	31/12/2011
Goodwill	15	189,284	196,556	169,578
Intangible assets	16	28,847	30,998	19,440
Property, plant and equipment	17	6,277	6,251	4,883
Financial assets and other non-current assets	18	15,403	9,873	8,694
Deferred tax assets	19	30,287	17,705	14,482
Non-current assets		**270,098**	**261,383**	**217,077**
Stock and work in progress		433	337	606
Trade receivables	20	64,432	72,202	57,056
Other current receivables	21	7,858	7,777	5,934
Cash and cash equivalents	22	49,176	35,378	23,801
Current assets		**121,899**	**115,694**	**87,397**
TOTAL ASSETS		**391,997**	**377,077**	**304,474**

SHAREHOLDERS' EQUITY AND LIABILITIES *(in thousands of euros)*	Notes	31/12/2013	31/12/2012	31/12/2011
Share capital		40,930	40,642	40,301
Capital reserves		106,650	102,631	99,199
Consolidated reserves and other reserves		75,197	66,017	52,477
Profit for the year		35,595	24,660	21,456
Shareholders' equity – Group share		**258,372**	**233,950**	**213,433**
Minority interests		**1**	**1**	**2**
TOTAL SHAREHOLDERS' EQUITY	**23**	**258,373**	**233,951**	**213,435**
Financial debt – long-term portion	24	28,519	36,876	1,968
Deferred tax liabilities	19	5,351	6,872	6,998
Other non-current liabilities	25	10,152	9,395	7,545
Non-current liabilities		**44,032**	**53,143**	**16,511**
Financial debt – short-term portion	24	9,472	5,253	530
Trade payables	26	6,306	9,966	8,184
Other current liabilities	27	73,824	74,764	65,814
Current liabilities		**89,602**	**89,983**	**74,528**
TOTAL LIABILITIES		**133,624**	**143,126**	**91,039**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**391,997**	**377,077**	**304,474**

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STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in thousands of euros)	Share capital	Capital reserves	Treasury shares	Reserves and consolidated income	Other comprehensive income statement items	Total attributable to Group	Minority interests	Total
As of 31/12/2010	**75,620**	**1,169**	**-**	**67,323**	**3,983**	**148,095**	**2**	**148,097**
Capital transactions	-35,319	97,466	-	-952	-	61,195	-	61,195
Share-based payments	-	146	-	-	-	146	-	146
Transactions in treasury shares	-	-	-550	-91	-	-641	-	-641
Ordinary dividends	-	418	-	-22,202	-	-21,784	-	-21,784
Changes in scope of consolidation	-	-	-	-	-	-	-	-
Other changes	-	-	-	1	-	1	-	1
Transactions with shareholders	**-35,319**	**98,030**	**-550**	**-23,244**	**-**	**38,917**	**-**	**38,917**
Profit for the year	-	-	-	21,456	-	21,456		21,456
Other comprehensive income statement items	-	-	-	-	4,965	4,965	-	4,965
Total comprehensive profit for the year	**-**	**-**	**-**	**21,456**	**4,965**	**26,421**	**-**	**26,421**
As of 31/12/2011	**40,301**	**99,199**	**-550**	**65,535**	**8,948**	**213,433**	**2**	**213,435**
Capital transactions	341	1,808	-	-	-	2,149	-	2,149
Share-based payments	-	1,143	-	-	-	1,143	-	1,143
Transactions in treasury shares	-	-	80	-137	-	-57	-	-57
Ordinary dividends	-	431	-	-5,456	-	-5,025	-	-5,025
Changes in scope of consolidation	-	-	-	-	-	-	-	-
Other changes	-	50	-	78	-115	13	-1	12
Transactions with shareholders	**341**	**3,432**	**80**	**-5,515**	**-115**	**-1,777**	**-1**	**-1,778**
Profit for the year	-	-	-	24,660	-	24,660	-	24,660
Other comprehensive income statement items	-	-	-	-	-2,366	-2,366	-	-2,366
Total comprehensive profit for the year	**-**	**-**	**-**	**24,660**	**-2,366**	**22,294**	**-**	**22,294**
As at 31/12/2012	**40,642**	**102,631**	**-470**	**84,680**	**6,467**	**233,950**	**1**	**233,951**
Capital transactions	288	1,919	-	-	-	2,207	-	2,207
Share-based payments	-	1,345	-	-	-	1,345	-	1,345
Transactions in treasury shares	-	-	-139	132	-	-7	-	-7
Ordinary dividends	-	755	-	-7,855	-	-7,100	-	-7,100
Changes in scope of consolidation	-	-	-	-	-	-	-	-
Other changes	-	-	-	-7	7	-		-
Transactions with shareholders	**288**	**4,019**	**-139**	**-7,730**	**7**	**-3,555**	**-**	**-3,555**
Profit for the year	-	-	-	35,595	-	35,595		35,595
Other comprehensive income statement items	-	-	-	-	-7,618	-7,618	-	-7,618
Total comprehensive profit for the year	**-**	**-**	**-**	**35,595**	**-7,618**	**27,977**	**-**	**27,977**
AS OF 31/12/2013	**40,930**	**106,650**	**-609**	**112,545**	**-1,144**	**258,372**	**1**	**258,373**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Contents for the notes to the financial statements

This is the third publication for the Group following its flotation on NYSE Euronext in Paris on 14 June 2011.

The consolidated financial statements were prepared in accordance with the accounting principles and policies in force at 31 December 2013, on the bases described below in order to provide an overview of the business activities included in Axway's scope of consolidation.

Axway, the market leader in governing the flow of data, is a software company with more than 11,000 customers in the private and public sector in 100 countries. For more than a decade, Axway has provided leading organisations with technology solutions that better manage the flow of strategic data around the organisation, to the outside world between partners, within B2B communities, to the cloud and to mobile peripherals. Our solutions are offered for on-premise or cloud-based management with a full range of services. They span B2B integration, managed file transfer, API and identity management, and email security.

Axway Software (historically the parent company of the Group) is a French *société anonyme*. Its registered office is located at Parc des Glaisins, 74940 Annecy-le-Vieux, France and the Executive Management is based in Phoenix, Arizona.

The consolidated financial statements of Axway Software for the year ended 31 December 2013 were approved by the Board of Directors' meeting of 14 April 2014.

ACCOUNTING PRINCIPLES AND POLICIES

Note 1. Summary of the main accounting policies

The main accounting policies applied for the preparation of the consolidated financial statements are presented below. They have been applied consistently for all of the financial years presented.

1.1. Basis of preparation

The consolidated financial statements for the year ended 31 December 2013 were prepared in accordance with:

- IFRS standards as adopted by the European Union. This information is available on the website of the European Commission: http://ec.europa.eu/internal_market/accounting/ias/index_en.htm;
- IFRS as published by the IASB.

The financial statements were prepared mainly using the historical cost convention, except for employee benefits, payments in equity instruments, and financial debt and derivatives, which are measured at fair value.

1.2. Application of new standards and interpretations

a. New mandatory standards and interpretations

The new standards, amendments to existing standards and interpretations, which must be applied for the accounting periods beginning on or after 1 January 2013 did not have any material impact on the Group's financial statements and income. These primarily relate to:

- Amendments to IAS 1 *Presentation of other comprehensive income statement items*;
- Amendments to IAS 19 *Employee Benefits*;
- Amendments to IFRS 7 *Disclosures: Offsetting Financial Assets and Financial Liabilities*;
- IFRS 13 *Fair Value Measurement*;
- Amendments to IAS 12 *Recovery of Underlying Assets*;
- Amendments to FRS 1 *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters and State loans*;
- Annual improvements 2009-2011: made to a number of standards;
- IFRIC 20 *Stripping Costs in the Production Phase of a SuAFRce Mine*.

b. Standards and interpretations adopted by the European Union and applicable in advance

- Amendments to IAS 32 *Financial instruments: presentation/offsetting financial assets and financial liabilities*;
- IFRS 10 *Consolidated financial statements*, and other consolidation standards: IFRS 11, revised IAS 27 and revised IAS 28;
- IFRS 12 *Disclosure of Interests in Other Entities*;

- Amendments to IFRS 10, IFRS 11, IFRS 12, IAS 27 and IAS 28 *Transition process* and *Investment entities*;
- Amendments to *Recoverable amount of non-financial assets*;
- Amendment to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting*.

The Group has chosen not to apply these standards and interpretations in advance.

c. Standards and interpretations published by the IASB but not yet adopted by the European Union

The Group does not apply, in advance, the standards and interpretations published by the IASB but not yet adopted by the European Union as at 31 December 2013. These primarily relate to:

- IFRS 9 *Financial Instruments*;
- Amendments to IAS 19 *Employee contributions*;
- Annual improvements 2010-2012 and 2011-2013: made to a number of standards;
- IFRIC 21 *Levies*.

d. Format of the financial statements

With regard to the presentation of the consolidated financial statements, Axway Software has decided to apply Recommendation 2009-R.03, dated 2 July 2009, of the *Conseil National de la Comptabilité* dealing with the format of the income statement, the cash flow statement and the statement of changes in shareholders' equity.

However, the format of the income statement as presented in previous years has been altered to improve the presentation of the Company's performance. This relates particularly to a new line item Operating profit on business activity, which is now positioned before Profit from recurring operations, an indicator used internally by the management to assess the Company's performance. This indicator corresponds to Profit from recurring operations before expenses related to the cost of services rendered by beneficiaries of share subscription options and before amortisation of the intangible assets concerned.

1.3. Consolidation methods

- Axway Software is the consolidating company;
- the companies over which Axway Software has full control have been consolidated using the full consolidation method. Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than one-half of the voting power of an enterprise unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. Control also exists even when the parent owns one-half or less of the voting power of an enterprise when there is:
  - power over more than one-half of the voting rights by virtue of an agreement with other investors,
  - power to govern the financial and operating policies of the enterprise under a statute or an agreement,
  - power to appoint or remove the majority of the members of the Board of Directors or equivalent governing body, if control over the enterprise is exercised by this Board or governing body, or
  - power to cast the majority of votes at meetings of the Board of Directors or equivalent governing body, if control over the enterprise is exercised by this Board or governing body;
- Axway Software does not exert significant influence or joint control over any entity;
- Axway Software Group does not, directly or indirectly, control any *ad hoc* company;
- transactions between entities included in the scope of consolidation, as well as unrealised balances and profits on operations between Group companies are eliminated;
- the accounts of all consolidated companies are prepared at 31 December. These accounts have, where applicable, been restated to ensure the consistency of accounting and valuation rules applied by the Group;
- the scope of consolidation is presented in Note 2.

1.4. Foreign currency translation

a. Functional and presentation currencies

Items included in the financial statements of each entity included in the scope of consolidation are measured using the currency of the primary economic environment in which each entity operates, *i.e.* its "functional currency".

The consolidated financial statements are presented in euros, the functional and presentation currency of the parent company Axway Software.

b. Translation of the financial statements of foreign subsidiaries

Group subsidiaries' functional currencies are their local currencies in which most of their transactions are denominated. The accounts of all entities included in the scope of consolidation whose functional currency differs from the Group's presentation currency are translated into euros as follows:

- assets and liabilities are translated at rates applying at the balance sheet date;
- income, expenses and cash flows are translated at average rates for the period;
- all resulting foreign exchange differences are recognised as a distinct equity component under *Translation differential*.

Foreign exchange differences arising from the translation of net investments in foreign operations are recorded as a separate component of equity under the heading *Translation reserves* in accordance with IAS 21. Foreign exchange gains and losses relating to intercompany loans are considered as an integral part of the Group's net investment in the foreign subsidiaries in question.

When a foreign operation is divested, the applicable accumulated translation difference is transferred to profit or loss as part of the gain or loss arising on disposal.

Goodwill and fair value adjustments arising on acquisition of foreign operations are treated as assets and liabilities of the operation and, as such, are translated at rates applying at the balance sheet date.

No entity operating in a hyper-inflationary economy is included in the scope of consolidation.

The applicable rates of exchange are presented in Note 35.

c. Translation of foreign currency transactions

Transactions denominated in foreign currencies are translated to entities' functional currencies at rates applying on the transaction dates. The foreign exchange gains and losses arising on settlement, as well as those arising from the adjustment of foreign currency denominated monetary assets and liabilities to rates applying at the balance sheet date, are recognised in profit or loss with the exception of amounts recognised directly in equity in respect of cash flow hedging or hedging of the net investment in foreign operations.

1.5. Significant estimates and accounting judgements

The preparation of financial statements implies the use of estimates and assumptions in measuring certain consolidated assets and liabilities as well as certain income statement items. The management is also required to exercise judgement in the application of the Group's accounting policies.

Such estimates and judgements, which are continually updated, are based both on historical information and on reasonable anticipation of future events according to the circumstances. However, given the uncertainty implicit in assumptions as to future events, the related accounting estimates may differ from the actual results.

a. Significant assumptions and accounting estimates

The main assumptions and accounting estimates liable to leave scope for material adjustments to the carrying amount of assets and liabilities in subsequent periods are as follows:

- the measurement of goodwill (see Notes 1.7 and 15);
- the measurement of retirement commitments (see Notes 1.18 and 25);
- the recognition of income (see Note 1.21);
- the measurement of deferred tax assets (see Notes 1.13 and 19);
- the measurement of provisions (see Notes 1.20 and 25).

b. Significant judgements in the application of accounting policies

With the exception of those policies requiring accounting estimates, no judgement exercised by Management has had a material impact on the amounts recognised in the financial statements.

1.6. Business combinations

The Group applies IFRS 3 (revised version) to the identified assets acquired and liabilities assumed as a result of business combinations. The acquisition of an asset or a group of assets that do not constitute a business combination is recognised under the standards applicable to these assets (IAS 38, IAS 16 and IAS 39).

All business combinations are recognised by applying the acquisition method, which consists of:

- the measurement and recognition at fair value as of the acquisition date of the identifiable assets acquired and liabilities assumed. The Group identifies and allocates these items on the basis of contractual provisions, economic conditions and its accounting and management principles and procedures;
- the measurement and recognition at the acquisition date of the difference referred to as "goodwill" between:
  - the purchase price for obtaining control of the acquiree plus the amount of any minority interests in the acquiree,
  - and the net amount of the recognised identifiable assets acquired and liabilities assumed.

The acquisition date is the date on which the Group effectively obtains control of the acquiree.

The purchase price of the acquiree corresponds to the fair value, at the acquisition date, of the elements of consideration remitted to the seller in exchange for control of the acquiree, to the exclusion of any element serving as consideration for any transaction separate from the attainment of control.

If the initial accounting for a business combination can only be determined provisionally for the reporting period in which the combination was effected, the acquirer recognises the combination using provisional values. The acquirer must then recognise adjustments to these provisional values related to the completion of initial accounting within 12 months of the acquisition date.

1.7. Goodwill

For each business combination, the Group may elect to recognise under its balance sheet assets either proportionate goodwill (corresponding only to its percentage of ownership interest) or full goodwill (also including the goodwill corresponding to minority interests).

Should the calculation of goodwill result in a negative difference (in the case of an acquisition conducted under advantageous conditions), the Group recognises the resulting gain as a bargain purchase in profit or loss.

Goodwill is allocated to cash-generating units for the purposes of conducting impairment tests under the conditions set out in Note 1.11. These tests are conducted where there is an indication of impairment and systematically at 31 December, the reporting date.

1.8. Intangible assets

a. Assets purchased

These relate to software packages recorded at cost as well as software packages, customer relations and distributor relations recognised at fair value in connection with the allocation of the purchase prices of entities acquired in business combinations. These assets are amortised using the straight-line method over five to fifteen years, depending on their estimated useful lives.

b. Assets generated internally

In application of IAS 38 *Intangible assets*:

- all research and development costs are charged to the income statement in the year they are incurred;
- project development costs are capitalised if, and only if, all of the following can be demonstrated:
  - the technical feasibility of completing the intangible asset so that it will be available for use or sale,
  - the intention to complete the intangible asset and use or sell it,
  - the ability to use or sell the intangible asset,
  - the manner in which the intangible asset will generate probable future economic benefits,
  - the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset,
  - the ability to measure reliably the expenditure attributable to the intangible asset during its development.

None of the development expenses for software are recognised under intangible assets if one of the conditions described above has not been met.

In view of the specific nature of the software development business, the determining criteria concern the technical feasibility necessary for completion and the manner in which the asset will generate probable future economic benefits.

The risks and uncertainties inherent in software development do not allow the technical feasibility of a product to be demonstrated before a demo version that can be shown to a prospective customer is available. The differences between a demo version and the final version are generally minor, which means that the costs incurred in this phase of development, which may be capitalised, are not significant.

1.9. Property, plant and equipment

Property, plant and equipment essentially comprise fixtures and fittings, office furniture and equipment and IT equipment.

Items of property, plant and equipment are measured at acquisition cost less accumulated depreciation and any impairment losses. No amounts have been revalued.

Depreciation is based on the straight-line method according to the expected useful economic lives of each non-current asset category as follows:

Fixtures and fittings	Ten years
Equipment and tooling	Three to five years
Furniture and office equipment	Five to ten years

Depreciation is applied against asset acquisition costs after deduction of any residual value. Residual asset values and expected useful lives are reviewed at each balance sheet date.

1.10. Leases

a. Finance leases

Leases on property, plant and equipment under which the Group retains substantially all the risks and rewards incidental to ownership of the assets are treated as finance leases. The related assets are recognised at the fair value of the leased assets, or if lower, at the present value of the minimum payments due under the leases.

Axway does not have any finance lease contracts in its own name; however it uses certain assets that are held by the Sopra Group under finance leases.

b. Operating leases

Leases under which the Group retains substantially all the risks and rewards incidental to ownership of the assets are treated as operating leases. Payments under these contracts are recognised as an expense on a straight-line basis over the duration of the applicable leases.

1.11. Impairment of assets

a. Cash-generating units

Under IAS 36 *Impairment of Assets*, an impairment test must be conducted at each reporting date where there is an indication of impairment of an asset. Where there is such an indication, the entity must estimate the recoverable value of the asset.

Irrespective of whether there is any indication of impairment, an entity must also:

- test intangible assets with indefinite useful lives annually;
- test the impairment of goodwill acquired in a business combination annually.

In practice, impairment testing is above all relevant to goodwill which comprises the main portion of Axway Software's consolidated non-current assets.

Impairment testing is performed at the level of the cash-generating units (CGUs) to which assets are allocated. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The Group's segmentation into cash-generating units is consistent with the operating structure of its businesses, its management and reporting structure and its segment reporting structure. Impairment testing involves comparing cash-generating units' carrying amounts with their recoverable amounts. A cash-generating unit's recoverable amount is the higher of its fair (generally market) value, less costs to sell, and its value in use.

The Group provides IT solutions enabling the automatic management of data exchange within and outside the Company.

Part of Axway's recent expansion has been through external growth, the main acquisitions having been as follows: Cyclone Commerce in the United States in 2006, Actis in Germany in 2007, Tumbleweed in the United States in 2008 and Vordel in Ireland in 2012.

All of the products developed internally or related to acquisitions are integrated in a common technical platform.

Axway operates as an international software developer. Its main markets are the USA and Europe. The technical platform's various software packages are distributed by sales subsidiaries that pay royalties on the income they earn from licences and maintenance.

In view of the global nature of products and markets, a breakdown by country of the contribution to the Group's results would not be meaningful. Cash inflows related to business in different countries are thus not considered to be separate from the cash inflows generated by the activities of other countries, and Axway as a whole is considered as the smallest grouping of assets that generates broadly independent cash inflows. Since Axway operates as a software developer on a global market, the Group is treated as a single cash-generating unit for the purposes of impairment testing.

b. Methods for measuring value in use

In accordance with IAS 36, where the carrying amount of a cash-generating unit to which goodwill has been allocated is tested for impairment and exceeds its fair value less costs to sell (or where it is not possible to determine the fair value less costs to sell), the carrying value of the CGU is compared to its value in use.

The value in use is determined using the present value of future cash flows method:

- cash flows for a plan period of five years, with cash flows for the first year of the plan based on the budget;
- cash flows beyond the five-year plan period used in value-in-use calculations are increased in line with historic long-term growth rates adjusted for inflation.

Cash flow projections for the explicit period are determined by taking into account:

- the general growth rate of the economy;
- the impact of technological advances in the sector.

The cash flows are discounted using a discount rate equal to:

- the ten-year risk-free money rate;
- supplemented by the market's risk premium multiplied by a sensitivity coefficient (b) specific to the entity.

c. Measurement of impairment losses

Impairment losses are recognised to the extent of any excess of a CGU's carrying amount over its recoverable amount. Impairment losses are first allocated against goodwill and are charged to profit or loss as part of *Other operating income and expenses*. Impairment losses on goodwill cannot be reversed.

1.12. Financial assets

The Group classifies its financial assets into the following categories:

- assets measured at fair value through profit or loss;
- assets held to maturity;
- loans and receivables; and
- assets available for sale.

Classification depends on the purposes for which financial assets were acquired. Management decides on the appropriate classification at the time of initial recognition and performs a reassessment at each interim or annual reporting date.

Financial assets are carried in the balance sheet at their initial fair value. Their subsequent measurement corresponds, depending on their classification, either to fair value or to amortised cost.

a. Assets measured at fair value through profit or loss

This category comprises derivatives, financial assets held for trading (*i.e.* acquired with a view to resale in the near term) and those designated upon initial recognition as at fair value through profit or loss. Changes in the fair value of assets of this category are recognised in profit or loss.

b. Held to maturity assets

Held to maturity investments are non-derivative financial assets with fixed or determinable payments that the Group has the intention and ability to hold to maturity. If any such asset is disposed of prior to maturity all other assets of the category must obligatorily be reclassified as available for sale. Assets held to maturity are otherwise measured, after initial recognition, at amortised cost.

The Group currently holds no assets classified within this category.

c. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They comprise the financial assets arising when the Group remits funds, or provides goods and services, to an individual or entity. Loans and receivables are initially recognised at fair value then subsequently measured at amortised cost using the effective interest rate method.

The Group has identified within this category:

- non-current financial assets comprising receivables associated with non-consolidated investments as well as guarantee deposits for leased property. Impairment losses are recognised for receivables associated with non-consolidated investments whenever their estimated recoverable amounts are lower than their carrying amounts; and
- current trade receivables. Current trade receivables are initially measured at the nominal amounts invoiced which generally equate to the fair value of the consideration to be received. The impact of discounting would be negligible given that the Group's average credit period is in sixty days. If necessary, impairment losses are recognised on an individual basis reflecting any problems of recovery.

d. Available for sale assets

Assets available for sale are those non-derivative financial assets not entering any of the above categories, whether or not the Group intends to dispose of them. Changes in the fair value of these assets are recognised directly in equity with the exception of impairment losses and foreign exchange gains and losses which are recognised in profit or loss.

The Group includes in this category investments in non-consolidated entities over which it neither exercises control nor any significant influence.

As such investments comprise equity instruments whose price is not quoted in an active market, and whose fair value cannot otherwise be reliably measured, they are maintained at cost less any impairment losses. Their recoverable amount is estimated based on criteria such as the Group's share of an entity's net assets and its outlook for growth and profitability. An impairment loss recognised cannot subsequently be reversed.

1.13. Deferred tax

Deferred tax is recognised using the balance sheet liability method based on temporary differences between the carrying amount of assets and liabilities in the consolidated balance sheet and their tax base.

Deferred tax assets and liabilities are measured for each entity or taxable unit on the basis of the tax rates in force, or substantially adopted, at the balance sheet date and expected to apply when assets will be realised or liabilities settled.

Deferred tax assets relating to both temporary differences and tax losses carried forward are recognised only to the extent that it appears probable that the future tax savings they represent will be achieved.

1.14. Derivatives

Derivatives are initially recognised at fair value on the date of signing the contract. They are later revalued at their fair value. The accounting treatment of the associated profit or loss depends on whether the derivative has been designated as a hedging instrument and, if so, on the nature of the hedged item.

The Group designates a number of derivatives such as:

- hedges of the fair value of assets or liabilities recognised in the balance sheet or of firm forward commitments (fair value hedge); or
- hedges of a specific risk associated with an asset or liability recognised or a future, highly probable transaction (cash flow hedge); or
- hedges of a net investment in a foreign operation (net investment hedge).

The fair value of a hedging derivative instrument is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Changes in the fair value of derivative instruments that qualify for hedge accounting impact the shareholders' equity.

Derivatives held for trading purposes are classified as current assets or liabilities if settled within a year of the closing, otherwise they are classified under non-current assets or liabilities. The Group also classifies derivatives as speculative instruments, which cannot qualify as designated and effective hedging instruments within the meaning of IAS 39. The changes in their fair value are recorded in the income statement as Other financial income and expenses.

1.15. Cash and cash equivalents

Cash and cash equivalents comprise cash, bank demand deposits, other highly liquid investments with maturities not exceeding three months and bank overdrafts. Bank overdrafts are included as part of *Financial debt – short-term portion*.

Under IAS 7 cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The Group applies the classification of UCITS as updated by the *Association française de gestion* (AFG), the *Association française des trésoriers d'entreprise* (AFTE) and the *Association française des investisseurs institutionnels* (AF2I), adopted as a reasonable basis for recognition by the *Autorité des marchés financiers* (AMF) in its position No. 2011-13 on the classification of UCITS as cash equivalents:

- UCITS classified by the AMF as "euro-denominated" money-market instruments are presumed to satisfy the four criteria to be defined as cash equivalents under IAS 7; In accordance with AMF Recommendation 2011-13 on the classification of UCITS as cash equivalents, a regular assessment of historical performance is carried out in order to confirm that the risk of a change in the value of these instruments is negligible, especially in times of crisis or market tension;
- the eligibility of other UCITS to be considered as "cash equivalents" is not automatic but must be established with reference to the four criteria.

Cash equivalents are recognised at their fair value; changes in fair value are recognised in the income statement under *Other financial income and expense*.

1.16. Share-based payments

a. Share subscription options

The application of IFRS 2 to Axway relates to options for share subscription and allocations of bonus shares granted to employees. As allowed under the standard, the Group will only adjust its financial statements for options granted on or after 7 November 2002 and exercisable after 1 January 2005.

The fair values of the share subscription options allocated before 2011 were determined using the binominal model recommended by IFRS 2.

The exercise price of the options under the 2011 plan was determined using the average of the closing prices for the twenty trading days prior to the date on which the decision was made to allocate options. This value is constant over the plan's duration.

The value attributed to the options is analysed as a cost of services rendered by employees in return for the options and is recognised on a linear basis over the vesting period.

This charge is recognised in the income statement under Stock option plans and similar expenses, balanced by a credit to an issue premiums account recognised under *Capital reserves* within shareholders' equity. There is thus no net impact on shareholders' equity.

The calculation performed reflects the total number of options held at each balance sheet date by eligible employees.

Under the regulations governing the various stock option plans, shares resulting from the exercise of options may not be sold or converted into bearer shares during the statutory lock-up period.

b. Bonus shares

The expense recognised, as per IFRS 2, for a bonus share allocation plan is equal to the fair value of shares granted to employees multiplied by the probable number of shares to be delivered to the beneficiaries who will be present on the vesting date (this number of shares is revised during the vesting period depending on the estimated changes in employee turnover).

The fair value of the bonus shares is determined for all at the same time on the date of allocation based on the market price of the share adjusted to take into account the characteristics and conditions of share allocation. This amount is not reassessed later in the event of changes in the fair value.

The expense corresponding to the benefit granted to the employees in the form of bonus shares is recognised in the net profit using the straight-line method over the vesting period under the heading *Expenses related to stock options and similar*.

1.17. Treasury shares

All Axway shares held by the parent company are recognised at their acquisition cost, deducted from shareholders' equity.

Gains or losses on the sale of treasury shares are added or deducted net of tax from consolidated reserves.

1.18. Employee benefits

a. Short-term employee benefits and defined contribution post-employment benefits

The Group recognises the amount of short-term employee benefits, as well as the contributions due in respect of mandatory state-sponsored pension plans, under Employee costs. As the Group has no commitments beyond these contributions, no provision was recognised for these plans.

b. Defined-benefit plans and other long-term employee benefits

These plans relate mainly to France, for the payment of pensions in accordance with collective bargaining agreements, and to a lesser extent Italy, for the payment of legally required post-employment benefits (*Trattamento di Fine Rapporto*).

The defined-benefit plans are borne directly by the Group, which provides for the cost of the future benefits based on conditions below.

The Group uses the projected credit method to determine the value of its defined-benefit obligation: this method stipulates that each period of service gives rise to an additional unit of benefit rights and values separately each of the units to obtain the final commitment.

The above calculations reflect various actuarial assumptions relating to matters such as the estimated periods of future service of employees, future salary levels, life expectancy and employee turnover.

The resulting benefit obligation is then discounted using an appropriate interest rate for first-rate corporate bonds denominated in the currency of payment of benefits and with a maturity approximating with the estimated average maturity of the benefit obligation.

A change in these estimates and hypotheses may lead to a significant change in the amount of the commitment.

The amount of the provision recognised for retirement and similar commitments corresponds to the present value of the obligation in respect of defined benefits. Actuarial differences resulting from changes in the value of the discounted obligation in respect of defined benefits include on the one hand, the effects of differences between previous actuarial assumptions and actual data, and on the other hand, the effect of changes in actuarial assumptions.

From 2007, actuarial differences are fully recognised in equity, for all of the Group's defined-benefit plans, in conformity with the SoRIE option introduced by the amendment to IAS 19.

There are no pension commitments, medical cover, or long-service awards. No new benefits or changes in regime resulting from legal, collective-bargaining or contractual provisions occurred during the financial year.

1.19. Financial debt

Financial debt essentially comprises:

- bank loans: these are initially recognised at fair value less transaction costs. Bank borrowings are subsequently recognised at amortised cost; any difference between the capital amounts borrowed (net of transaction costs) and the amounts repayable is recognised in profit or loss over the duration of the borrowings using the effective interest rate method;
- the current account with the Sopra Group: until the capital increase was carried out in July 2011, all bank loans were entered into directly with the Sopra Group, which refinanced its subsidiaries through a cash agreement;
- liabilities related to employee profit sharing recorded as blocked current accounts: these are subject to adjustment to take into account the differential between the contractual interest rate applied and the applicable regulatory rate ceiling. For any given year, this difference applies to liabilities requiring the recognition of an additional charge under staff costs. This difference reduces the financial expenses over the following five years;
- current bank overdraft facilities.

Financial debt repayable within 12 months of the balance sheet date is classified within current liabilities.

1.20. Provisions

A provision is recognised when an obligation exists with respect to a third party originating subsequent to the balance sheet date and when the loss or liability is probable and may be reliably estimated.

To the extent that this loss or liability is not probable or may not be reliably estimated, a contingent liability is disclosed by the Group among its commitments given.

1.21. Revenue recognition

The applicable standard is IAS 18 *Revenue.*

Services provided within the scope of the Group's software operations include:

- the right of use under licence of the software provided;
- maintenance;
- ancillary services: installation, configuration, adaptation, training, etc.

a. In general, separate contracts are concluded with clients for licences and maintenance on the one hand and ancillary services on the other hand

In this situation, the various elements comprising contracts are accounted for as follows:

- licence revenue is recognised immediately on delivery as licence sale agreements constitute, in substance, a sale of rights. Delivery must be considered to have taken place when all contractual obligations have been fulfilled, *i.e.* when any remaining services to be provided are insignificant and not liable to endanger the client's acceptance of goods supplied or services rendered;
- maintenance revenue is recognised on a time *basis*, and is generally billed in advance;
- ancillary services revenue is generally provided on the basis of time spent and is recognised when the services are performed, *i.e.* usually when invoiced. Ancillary services are sometimes performed within the scope of fixed-price contracts in which case they are recognised using the percentage of completion method described in paragraph e. below.

b. Sometimes, contracts comprising multiple elements (licence, maintenance, ancillary services, etc.) may be negotiated on a fixed-price basis

In this situation, the amount of revenue attributable to the licence is obtained by the difference between the total contract amount and the fair value of its other components, *i.e.* maintenance and ancillary services. The fair value of the other components is determined when possible on the basis of the list prices applying in the case of a separate sale or alternatively, on the basis of management's best estimate. The residual amount attributed to the licence is recognised at the time of delivery.

c. In fairly rare instances, ancillary services may be considered essential to the operation of a software package

This may be the case for very complex projects, the completion of which may be subject to particular risks. The project is then examined as a whole and is the focus of specific monitoring by the Quality Department. They are accounted for using the percentage of completion method described in paragraph e below.

d. Technical assistance, consulting, training and projects provided on an ongoing contract basis

These services are recognised when performed, *i.e.* in general at the time of invoicing.

Operations are reviewed at each balance sheet date:

- services already performed but not yet, or only partially, invoiced are measured on the basis of billable time and the contractual billing rates. They are recognised as revenue and are included in the balance sheet under the *Accrued income* item *Trade receivables*;
- services already billed but not yet entirely performed are deducted from invoiced revenue and included in the balance sheet under the *Deferred revenue* item, *Other current liabilities*.

e. Services covered by fixed-price contracts

Under such contracts the Group commits itself to a price, a result and a deadline. Revenue and profit generated by a contract are recognised on the basis of a technical assessment, in line with the Group's quality procedures, of the contract's degree of completion.

1.22. Segment information

Internal business management information is made available to Axway's management based on the developer/distributor model. Segment information for Axway is presented according to this organisation.

1.23. Earnings per share

Earnings per share as stated in the income statement are calculated on the basis of the Group's share in the net profit as follows:

- basic earnings per share are based on the weighted average number of shares in issue during the financial year, calculated according to the dates when the funds arising from cash share issues were received and, in respect of shares issued for contributions in kind *via* equity, the date on which the corresponding new Group companies were consolidated for the first time;
- diluted earnings per share are calculated by adjusting the Group share of net profit and the weighted average number of shares outstanding for the diluting effect of exercising share subscription option plans in force at the end of the financial year. The share buyback method has been applied at the market price, based on the average share price throughout the year.

Note 2. Key events and scope of consolidation

2.1 Change in the scope of consolidation

Compared to 2012, the only change involves the entry of Axway Software do Brasil in the scope of consolidation. A wholly-owned subsidiary of Axway Software, this company, established in September 2013 and based in São Paulo, will strengthen the Group's presence in Latin America.

2.2. List of consolidated companies at 31 December 2013

Company	Country	% control	% held	Consolidation method
Axway Software	France	-	-	Parent company
Axway Distribution France SAS	France	100%	100%	FC
Axway SAS	France	100%	100%	FC
Axway UK Ltd	United Kingdom	100%	100%	FC
Axway Nordic AB	Sweden	100%	100%	FC
Axway GmbH	Germany	100%	100%	FC
Tumbleweed Communications Holding GmbH	Switzerland	100%	100%	FC
Axway BV	Netherlands	100%	100%	FC
Axway Belgium	Belgium	100%	100%	FC
Axway Srl	Italy	100%	100%	FC
Axway Software Iberia	Spain	100%	100%	FC
Axway Software do Brasil LTDA	Brazil	100%	100%	FC
Axway Romania Srl	Romania	100%	100%	FC
Axway Bulgaria EOOD	Bulgaria	100%	100%	FC
Axway Inc.	United States	100%	100%	FC
Axway Pte Ltd	Singapore	100%	100%	FC
Axway Software China	China	100%	100%	FC
Axway Ltd	Hong Kong	100%	100%	FC
Axway Software Sdn Bhd	Malaysia	100%	100%	FC
Axway Pty Ltd	Australia	100%	100%	FC
Vordel Ireland	Ireland	100%	100%	FC
Vordel UK Ltd	United Kingdom	100%	100%	FC
Vordel Inc.	United States	100%	100%	FC

FC: Fully consolidated.

Note 3. Comparability of the accounts

There were no changes in 2013, apart from the creation of the Brazilian subsidiary Axway Software do Brasil in September 2013, with no material impact on the 2013 financial statements.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

Note 4. Revenue

4.1. Revenue by activity

(in millions of euros)		2013		2012		2011
Licences	75.6	31.8%	71.4	31.8%	77.8	35.8%
Maintenance	106.3	44.8%	98.2	43.8%	85.0	39.1%
Services	55.6	23.4%	54.7	24.4%	54.4	25.0%
TOTAL REVENUE	**237.5**	**100.0%**	**224.3**	**100%**	**217.2**	**100%**

4.2. International revenue

(in millions of euros)		2013		2012		2011
France	82.5	34.7%	75.4	33.6%	80.9	37.2%
International	155.0	65.3%	148.9	66.4%	136.3	62.8%
TOTAL REVENUE	**237.5**	**100.0%**	**224.3**	**100.0%**	**217.2**	**100.0%**

Note 5. Employee costs

5.1. Breakdown of employee costs

(in thousands of euros)	2013	2012	2011
Salaries	115,579	108,782	103,259
Social charges	31,675	30,027	28,358
Employee profit sharing	1,310	1,167	1,002
TOTAL	**148,564**	**139,976**	**132,619**

5.2. Workforce

No. of employees at 31 December	2013	2012	2011
France	610	629	624
International	1,173	1,145	1,131
TOTAL	**1,783**	**1,774**	**1,755**

Average No. of employees	2013	2012	2011
France	626	633	619
International	1,164	1,131	1,102
TOTAL	**1,790**	**1,764**	**1,721**

5.3. Employee profit-sharing and incentive schemes

Pursuant to the application of IAS 32 and IAS 39, liabilities in respect of profit sharing were restated, as described in Notes 1.19 and 24.1.

In 2013, employee profit sharing totalled €986 thousand in respect of Axway Software. This compares with €1,071 thousand in 2012 and €758 thousand in 2011.

For the record, the profit-sharing agreement put in place in 2009 by the Sopra Group for three years included Axway Software.

Note 6. Purchases and external expenses

6.1. Purchases

(in thousands of euros)	2013	2012	2011
Purchases of subcontracting services	10,180	10,609	12,539
Purchases held in inventory of equipment and supplies	804	751	827
Purchases of merchandise and change in stock of merchandise	2,885	1,652	2,129
TOTAL	**13,869**	**13,012**	**15,495**

Purchases of subcontracting services in 2013 related to subcontracting to Sopra India (€3.6 million) and the Sopra Group (€0.9 million).

6.2. External expenses

(in thousands of euros)	2013		2012		2011	
Leases and charges	9,188	23.9%	8,816	24.7%	9,154	26.1%
Maintenance and repairs	2,100	5.5%	1,791	5.0%	1,521	4.3%
External structure personnel	332	0.9%	397	1.1%	432	1.2%
Remuneration of intermediaries and fees	4,006	10.4%	3,985	11.2%	2,012	5.7%
Advertising and public relations	3,186	8.3%	2,649	7.4%	2,913	8.3%
Travel and entertainment	10,436	27.2%	10,224	28.6%	10,690	30.4%
Telecommunications	3,563	9.3%	3,705	10.4%	3,594	10.2%
Sundry	5,583	14.5%	4,148	11.6%	4,818	13.7
TOTAL	**38,394**	**100%**	**35,715**	**100%**	**35,134**	**100%**

Note 7. Depreciation, amortisation and provisions

(in thousands of euros)	2013	2012	2011
Amortisation of intangible assets	345	248	247
Depreciation of property, plant and equipment	2,423	1,972	1,658
Depreciation and amortisation	**2,768**	**2,220**	**1,905**
Impairment of current assets net of unused reversals	187	1,334	298
Provisions for contingencies and losses net of unused reversals	964	1,352	706
Provisions and impairment	**1,151**	**2,686**	**1,004**
TOTAL	**3,919**	**4,906**	**2,909**

Note 8. Expenses related to stock options and similar

For 2013, the cost of services provided by the personnel in consideration for the options received was recognised for the amount of €1,060 thousand. Information on share subscription option plans that are still active are presented in Note 23.2.

Expenses related to the bonus share allocation plan implemented in February 2012 amounted to €292 thousand.

Note 9. Amortisation of allocated intangible assets

This item corresponds to the amortisation expense in respect of intangible assets obtained in connection with acquisitions of companies (mainly Vordel and Tumbleweed) of €3,679 thousand in 2013, €2,130 thousand in 2012 and €1,858 thousand in 2011.

Note 10. Other operating income and expenses

The following non-recurring expenses have been recognised under this item:

- expenses relating to the spin-off from the Sopra Group and recognised for €3,297 thousand in 2011;
- expenses relating to the costs arising from the dispute with the US government agency GSA (see Note 33) of €670 thousand in 2011, €1,433 thousand in 2012 and €5,185 thousand in 2013, including damages finalising the mutual agreement concluded in the second half of 2013;
- expenses relating to the fees and specific costs in respect of the acquisition of Vordel in 2012;
- expenses relating to the establishment of Axway do Brasil in 2013, for €30 thousand.

Note 11. Cost of net financial debt

(in thousands of euros)	2013	2012	2011
Income from cash and cash equivalents	1	3	7
Interest charges	-675	-54	-1,640
TOTAL	**-674**	**-51**	**-1,633**

In 2011, interest expense mainly comprised the interest charged to Axway Software on the debt relating to the Sopra Group current account, fully repaid in July 2011.

Note 12. Other financial income and expense

Foreign exchange gains and losses mainly relate to commercial transactions denominated in foreign currencies.

Foreign exchange gains and losses relating to intercompany loans are considered as an integral part of the Group's net investment in the foreign subsidiaries concerned and are recognised as a distinct component of equity under *Translation differential* in application of IAS 21.

(in thousands of euros)	2013	2012	2011
Foreign exchange gains and losses	**-720**	**-241**	**-888**
Reversals of provisions	-	50	11
Other financial income	370	420	24
Total foreign exchange gains/losses and other financial income	**-350**	**229**	**-853**
Charges to provisions	-12	-8	-10
Discounting of retirement commitments	-199	-245	-195
Discounting of employee profit sharing	3	44	38
Discounting of earn-outs on companies acquired	-	-	-
Change in the value of derivatives	-	-87	-
Net carrying amount of financial assets sold	-	-	-
Other financial expense	-98	4	-14
Total other financial expense	**-306**	**-292**	**-181**
TOTAL OTHER FINANCIAL INCOME & EXPENSE	**-656**	**-63**	**-1,034**

Discounting of retirement commitments: see Note 25.1.

Discounting of employee profit sharing: see Note 24.1.

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Note 13. Tax expense

13.1. Analysis

(in thousands of euros)	2013	2012	2011
Current tax	5,743	7,349	3,773
Deferred tax	-15,502	-3,373	1,435
TOTAL	**-9,759**	**3,976**	**5,208**

13.2. Reconciliation between the theoretical and effective tax charge

(in thousands of euros)	2013	2012	2011
Net profit	35,595	24,660	21,457
Tax expense	9,759	-3,976	-5,208
Profit before tax	25,836	28,636	26,665
Theoretical tax rate	**34.43%**	**34.43%**	**34.43%**
Theoretical tax charge	**-8,895**	**-9,859**	**-9,181**
Reconciliation			
Permanent differences	1,131	-793	-109
Impact of non-capitalised losses for the year	-289	-473	-29
Use of non-capitalised tax loss carry forwards	3,902	1,668	2,898
Impact of research tax credits	2,632	2,085	1,936
CVAE reclassification (net of tax)	-815	-780	-788
Capitalisation of tax loss carry forwards from previous years	13,761	4,955	-
Tax rate differences – France/other countries	469	861	628
Prior year tax adjustments	-	-	18
Other	-2,137	-1,640	-581
Actual tax charge	**9,759**	**-3,976**	**-5,208**
Effective tax rate	**-37.77%**	**13.88%**	**19.53%**

In 2011, unused tax loss carry forwards (€2.9 million) mainly relate to the capital gains arising on the internal transfer of intangible assets, which allowed Axway Inc. to make use of a portion of its tax losses.

The assessment with respect to the possibility for future use of tax loss carry forwards by the subsidiary Axway Inc. resulted in the decision to apply deferred tax assets of:

- $12.5 million (*i.e.* €9.5 million) in 2012;
- $28.8 million (*i.e.* €20.9 million) in 2013, up by €11.4 million compared to 31 December 2012.

13.3. Tax impact of gains and losses recognised directly in equity

	2013			2012			2011		
(in thousands of euros)	Gross	Tax impact	Net	Gross	Tax impact	Net	Gross	Tax impact	Net
Translation differential	-7,852	-108	-7,960	-2,195	22	-2,173	4,636	379	5,015
Actuarial gains and losses on retirement obligations	527	-181	346	-208	71	-137	-76	26	-50
Change in derivatives	-96	92	-4	-84	29	-55	-	-	-
TOTAL	**-7,421**	**-197**	**-7,618**	**-2,487**	**-122**	**-2,365**	**4,560**	**405**	**4,965**

Note 14. Earnings per share

(in euros)	2013	2012	2011
Net profit – Group share	35,594,729	24,659,347	21,456,393
Weighted average number of ordinary shares in issue	20,379,481	20,255,501	17,899,416
BASIC EARNINGS PER SHARE	**1.75**	**1.22**	**1.20**

(in euros)	2013	2012	2011
Net profit – Group share	35,594,729	24,659,347	21,456,393
Weighted average number of ordinary shares in issue	20,379,481	20,255,501	17,899,416
Weighted average number of securities retained in respect of dilutive items	320,622	50,526	189,303
Weighted average number of shares retained for the calculation of diluted net earnings per share	20,700,103	20,306,027	18,088,719
FULLY DILUTED EARNINGS PER SHARE	**1.72**	**1.21**	**1.19**

The method for calculating earnings per share are described in Note 1.23. The only dilutive instruments existing at present are the stock options mentioned in Note 23.2. and the bonus shares allocated as part of the Plan of 14 February 2012.

Only potentially dilutive ordinary shares, excluding those with an accretive effect, were considered in the calculation of the fully diluted earnings per share. Potential ordinary shares resulting from share subscription options whose exercise price increased by the fair value of services yet to be received from the option holders is greater than the average share price (€18.20) during the period, were considered as accretive.

NOTES TO THE CONSOLIDATED BALANCE SHEET

Note 15. Goodwill

15.1. Changes in goodwill

The principal movements in 2011, 2012 and 2013 were as follows:

(in thousands of euros)	Gross value	Impairments	Net carrying amount
31 December 2011	**178,460**	**8,882**	**169,578**
Acquisition of Vordel	28,488	-	28,488
Translation differential	-1,432	78	-1,510
31 December 2012	**205,516**	**8,960**	**196,556**
Adjustments on the acquisition of Vordel	-1,451		-1,451
Translation differential	-5,887	-66	-5,821
31 DECEMBER 2013	**198,178**	**8,894**	**189,284**

15.2. Determination of goodwill for business combinations

Goodwill recorded during 2012 concerned the acquisition of Vordel and was measured at the date of acquisition using the method set out in Note 1.7.

This goodwill was the subject of a provisional allocation as at 31 December 2012, as measurements concerning the various intangible items acquired (software, customer relations, etc.) were still being made and the acquisition contract provided a price adjustment clause dependent on the subsidiary's future cash flows.

The goodwill allocation was finally completed in 2013 within the stipulated allocation period of twelve months.

(in thousands of euros)	As at 31/12/2012	Change 2013	As of 31/12/2013
Acquisition price	42,570	-	42,570
Discounted value of earn-outs	-	272	272
Acquisition cost	**42,570**	**272**	**42,842**
Net assets acquired, excluding existing goodwill	3,941	-	3,941
Intangible assets allocated net of deferred taxes	10,141	1,723	11,864
GOODWILL	**28,488**	**-1,451**	**27,037**

Considering the final allocation and the discounted value of earn-outs, the breakdown of Vordel's net assets at 31 December 2013 is as follows:

(in thousands of euros)	Carrying amount with the seller	Restatements	Fair value
Intangible assets		13,559	13,559
Property, plant and equipment	52	-	52
Deferred tax assets	1,494	-	1,494
Current assets	3,709	-	3,709
Cash and cash equivalents	3,193	-	3,193
Financial liabilities	-	-	-
Deferred tax liabilities	-	-1,695	-1,695
Provision for post-employment benefits	-	-	-
Current liabilities	-4,507	-	-4,507
NET ASSETS ACQUIRED	**3,941**	**11,864**	**15,805**

15.3. Impairment tests

The aim of the annual impairment tests is to assess whether goodwill is impaired. This is the case when the carrying amount of the cash-generating unit to which the goodwill tested is allocated is lower than its recoverable value. The recoverable value of a cash-generating unit is the higher of its value in use or its fair value less costs to sell. As Axway represents a single CGU, the impairment test for goodwill consists of comparing the overall carrying amount of the Group to its recoverable value.

Impairment tests carried out at the end of 2011, 2012 and 2013 did not give rise to the recognition of impairment.

For 2013, the fair value less costs to sell the Axway cash-generating unit was determined from its stock market value. The costs to sell are estimated at 2% of Axway's fair value. Thus, at the close of trading on 31 December 2013, the fair value of the Axway CGU, *i.e.* its market capitalisation, was €446.6 million, and the fair value less costs to sell was €437.6 million. The carrying amount of the Axway CGU is the amount of its consolidated shareholders' equity at 31 December, *i.e.* €258.4 million. Based on the above, the recoverable value is higher than the carrying amount, and it was therefore unnecessary to recognise any impairment of the goodwill allocated to the Axway CGU at 31 December 2013.

For 2012, application of this same approach resulted in maintenance of the value of goodwill, the stock market value being determined at €276.4 million for an amount of consolidated shareholders' equity of €234.0 million.

15.4. Translation differential

Changes in exchange rates relate mainly to fluctuations in the euro compared to the following currencies:

Change euro/currency *(in thousands of euros)*	**31/12/2013**	**31/12/2012**	**31/12/2011**
USD	-5,092	-2,318	3,798
SEK	-719	851	132
Other currencies	-10	-43	-24
TOTAL	**-5,821**	**-1,510**	**3,906**

Note 16. Intangible assets

(in thousands of euros)	**Gross value**	**Depreciation**	**Net carrying amount**
31 December 2011	**34,158**	**14,718**	**19,440**
Changes in scope of consolidation	11,589	-	11,589
Acquisitions	2,656	-	2,656
Disposals	-364	-365	1
Translation differential	-542	-232	-310
Depreciation and amortisation	-	2,378	-2,378
31 December 2012	**47,497**	**16,499**	**30,998**
Changes in scope of consolidation	1,969	-	1,969
Acquisitions	646	-	646
Disposals	-	-	-
Translation differential	-1,292	-549	-743
Depreciation and amortisation	-	4,023	-4,023
31 DECEMBER 2013	**48,820**	**19,973**	**28,847**

Intangible assets essentially include non-proprietary software used in the Group's ordinary course of business as well as software and client and distributor relations acquired as part of external growth transactions. These mainly consist of technologies belonging to Vordel and Tumbleweed, for which the amortisation periods are 10 years and 15 years respectively (from November 2012 and September 2008 respectively).

No expense incurred in developing the Group's solutions and software was capitalised, either in 2013 or in previous years.

Note 17. Property, plant and equipment

(in thousands of euros)	Furniture, fixtures and fittings	IT equipment	Total
Gross value			
31 December 2011	**6,971**	**14,895**	**21,866**
Translation differential	-28	-181	-209
Acquisitions	2,353	1,112	3,465
Disposals	-3,340	-407	-3,747
Other changes	-1	-139	-140
Changes in scope of consolidation	69	342	411
31 December 2012	**6,024**	**15,622**	**21,646**
Translation differential	-90	-434	-524
Acquisitions	940	1,569	2,509
Disposals	-3	-144	-147
Other changes		-	-
Changes in scope of consolidation		-	-
31 DECEMBER 2013	**6,871**	**16,613**	**23,484**
Depreciation			
31 December 2011	**5,911**	**11,072**	**16,983**
Translation differential	-18	-163	-181
Provisions	536	1,436	1,972
Reversals	-3,282	-407	-3,689
Other changes	-2	-47	-49
Changes in scope of consolidation	66	293	359
31 December 2012	**3,211**	**12,184**	**15,395**
Translation differential	-80	-394	-474
Provisions	677	1,746	2,423
Reversals	-3	-134	-137
Other changes	-	-	-
Changes in scope of consolidation	-	-	-
31 DECEMBER 2013	**3,805**	**13,402**	**17,027**
Net value			
31 December 2011	**1,060**	**3,823**	**4,883**
31 December 2012	**2,813**	**3,438**	**6,251**
31 DECEMBER 2013	**3,066**	**3,211**	**6,277**

- Investments made by the Group in property, plant and equipment primarily include office equipment in France and abroad, and information technology equipment (central systems, work stations, and networks).
- Amounts included under disposals during the year mainly correspond to the scrapping of computer equipment each year after taking inventory, and premises for which leases were not renewed that the Group no longer occupies.

Note 18. Other non-current financial assets

18.1. Financial asset categories

The Group's non-current financial assets consist of loans and receivables.

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Loans and receivables	1,186	833	819
Derivatives	-	-	-
TOTAL	**1,186**	**833**	**819**

18.2. Loans and receivables

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Tax receivables (other than corporate income tax)	**14,217**	**9,040**	**7,875**
Loans	-	-	-
Deposits and other non-current financial assets	1,187	833	819
Provisions for loans, deposits and other non-current financial assets	-1	-	-
Loans, deposits and other non-current financial assets – net value	**1,186**	**833**	**819**
TOTAL	**15,403**	**9,873**	**8,694**

Tax receivables correspond to tax credits with a maturity of more than 12 months and concern France.

Deposits and other non-current financial assets consist mainly of guarantees given for the leased premises. Non-remunerated deposits are maintained at their nominal value, given that the effect of discounting is not significant.

Note 19. Deferred assets and liabilities

19.1. Breakdown by maturity

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Deferred tax assets (DTA)			
• Less than one year	4,692	3,550	3,121
• More than one year	25,595	14,155	11,361
TOTAL DTA	**30,287**	**17,705**	**14,482**
Deferred tax liabilities (DTL)			
• Less than one year	-847	-847	-847
• More than one year	-4,504	-6,025	-6,151
TOTAL DTL	**-5,351**	**-6,872**	**-6,998**
DEFERRED NET TAX	**24,936**	**10,833**	**7,484**

19.2. Change in net deferred tax

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
At 1 January	**10,833**	**7,484**	**8,760**
Changes in scope of consolidation	-246	46	-
Tax – income statement impact	15,502	3,373	-1,435
Tax – equity impact	-90	101	26
Translation differential	-1,063	-171	133
AT 31 DECEMBER	**24,936**	**10,833**	**7,484**

19.3. Breakdown of net deferred tax by type

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Differences related to consolidation adjustments			
Actuarial gains and losses on retirement obligations	361	571	527
Software depreciation and amortisation of revalued software	4,399	3,539	3,809
Fair value of amortisable allocated intangible assets	-2,306	-3,010	-1,985
Derivatives	64	59	-
Discounting of employee profit sharing	92	82	69
Tax-driven provisions	-2,289	-3,160	-4,019
Foreign exchange gains and losses allocated under equity	-	-	-
Activated tax losses	1,692	2,280	3,219
Other	136	52	-
Temporary differences from tax returns			
Provision for retirement benefits	1,645	1,412	1,188
Provision for employee profit sharing	339	369	321
Provision for “Organic” tax	78	69	81
Activated research tax credits	983	-	-
Activated tax losses	19,733	8,559	4,251
Other	9	11	23
TOTAL	**24,936**	**10,833**	**7,484**

At 31 December 2012, deferred tax relating to the fair value of amortisable intangible assets from the provisional allocation of the acquisition cost of Vordel, led to the separate allocation of goodwill and intangible assets identified as amortisable for €11.6 million. A deferred tax liability was recognised, of €1.4 million.

The Group’s assessment with respect to the possibility for future use of tax loss carry forwards by the subsidiary Axway Inc. resulted in the decision to apply deferred tax assets, at 31 December 2012, for the amount of $12.5 million (€9.5 million) over the next two years. At 31 December 2013, considering the prospects of this subsidiary, a deferred tax to the extent that taxable profits are likely to be available over the next five years was capitalised in the amount of $28.8 million (€20.9 million).

With regard to the *cotisation sur la valeur ajoutée des entreprises* (CVAE), a component based on the value added each year by the business and forming part of the new *contribution économique territoriale* (CET), the replacement for the professional tax introduced by the Finance Law for 2010, the Group has decided to recognise this component under corporate income tax in order to ensure consistency with the treatment of similar taxes in other countries. This approach is also consistent with the position adopted by Syntec Informatique and made public on 10 February 2010. No deferred tax assets or liabilities were recognised, as their impact was not material.

19.4. Deferred tax assets not recognised by the Group

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Tax losses carried forward	28,646	43,025	40,150
Temporary differences	817	1,011	520
TOTAL	**29,463**	**44,036**	**40,670**

19.5. Maturity of tax losses carried forward

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
N+1	2,159	1,573	2,052
N+2	603	603	1,118
N+3	11,102	506	1,780
N+4	23,949	296	731
N+5 and subsequent years	100,147	152,433	127,201
Tax losses carried forward with a maturity date	137,960	155,411	132,882
Tax losses which may be carried forward indefinitely	15,121	16,531	12,958
TOTAL	**153,081**	**171,942**	**145,840**
Deferred tax basis – portion used	71,506	38,679	21,710
Deferred tax basis – unused portion	89,441	133,263	124,130
Deferred tax – used	22,408	10,838	7,384
Deferred tax – unused	28,646	43,025	40,150

At 31 December 2013, deferred tax assets not capitalised on the tax loss carry forwards amounted to €28.6 million and primarily concerned the following subsidiaries: Axway Inc. (€25 million), Axway UK (€1.1 million), Axway Pte Ltd in Singapore (€1.1 million), Axway Srl in Italy (€0.8 million) and Axway Hong Kong (€0.6 million).

Axway Inc.'s tax loss carry forwards primarily result from the acquisition of Cyclone in 2006 and Tumbleweed Communications Corp. in 2008. These losses are subject to an overall time limit (20 years) as well as an annual limit on their use ($7 million) imposed by US tax regulations following a change in shareholding structure.

From 2010, the earning prospects of the American subsidiary permitted capitalisation to the tune of two years of forecast results. Thus, at 31 December 2012, a deferred tax asset of $9.5 million (*i.e.* €7.2 million) was capitalised. At 31 December 2013, the accrued earning capacity of financial years 2011 and 2012 and its projected maintenance over the years to come, improved primarily through the contribution of the API Server offer, led to the capitalisation of the tax losses to the tune of five years of forecast result, *i.e.* $26.7 million. The non-capitalised tax losses which may be carried forward amounted to $96.4 million.

Note 20. Trade receivables

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Trade receivables	60,375	69,969	52,885
Accrued income	5,506	5,064	5,668
Accrued credit notes	-487	-695	-752
Provision for doubtful debtors	-962	-2,136	-745
TOTAL	**64,432**	**72,202**	**57,056**

Net trade receivables, expressed in terms of days of revenue, corresponded to 90 days of revenue at 31 December 2013, against 102 days at 31 December 2012. This ratio is calculated by comparing "Net trade" receivables with the revenue generated in the final quarter of the year.

Accrued income mainly relates to fees for licences and services, which are recognised according to the methods set out in Note 1.21.

Note 21. Other current receivables

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Employees and social security	160	180	128
Tax receivables (other than corporate income tax)	1,117	3,712	2,678
Corporate income tax	3,655	1,065	707
Other receivables	197	118	182
Prepaid expenses	2,729	2,702	2,239
Derivatives	-	-	-
TOTAL	**7,858**	**7,777**	**5,934**

Tax receivables of €1.1 million relate mainly to deductible VAT (of €0.6 million).

Note 22. Cash and cash equivalents

The cash flow statement is presented on page 110.

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Investment securities	-	-	-
Cash and cash equivalents	49,176	35,378	23,801
Cash and cash equivalents	**49,176**	**35,378**	**23,801**
Current bank overdrafts	-11	-8	-126
TOTAL	**49,165**	**35,370**	**23,675**

Net cash and cash equivalents include available liquid funds (cash and positive bank balances), liquid marketable securities that meet the definition of cash equivalents as indicated in Note 1.14, bills of exchange presented for collection and falling due before the balance sheet date and temporary bank overdrafts.

Note 23. Equity

The consolidated statement of changes in equity is presented on page 112.

23.1. Changes in the share capital

At 31 December 2012, the share capital stood at €40,642,076, comprising 20,321,038 fully-paid up shares with a nominal value of €2.00 each.

In 2013, 144,094 subscription options were exercised, creating 144,094 new shares at the price of €2.00.

Furthermore, 45 shares were created as part of the plan of 14 February 2012 to allocate bonus shares to the Group's employees.

At 31 December 2013, the share capital stood at €40,930,354, comprising 20,465,177 fully-paid up shares with a nominal value of €2.00 each.

Following the authorisation issued by the General Shareholders' Meeting of 28 April 2011, the Board of Directors ratified, on 14 February 2012, the plan to award bonus shares to employees of the Group. Under IFRS 2 *Share-based Payment*, the value of the bonus shares granted calculated at the award date of the rights is expensed over the vesting period, *i.e.* two to four years. This plan will in due course result in the creation of some 50,000 shares.

23.2. Share subscription option plans

	Initial position		Option exercise period		Position at 1 January		Changes in the period, number of options:			Position at 31/12/2013	
Grant date	Number of options	Exercise price	Start date	Expiry date	Number of options	Exercise price	awarded	cancelled	exercised	Number of options	Exercise price
PLAN No. 1 – 2007 stock option plan, maximum issue of 1,990,000 shares General Meeting of 23/05/2007											
22/11/2007	17,000	€93.54	30/06/2010	31/12/2013	63,571	€14.34	-	-	-63,571	-	€14.34
22/11/2007	17,000	€93.54	30/12/2012	31/12/2013	29,667	€14.34	-	-	-29,667	-	€14.34
06/11/2008	8,500	€145.00	30/06/2011	31/12/2014	46,619	€17.11	-	-	-33,904	12,715	€17.11
06/11/2008	8,500	€145.00	30/12/2013	31/12/2014	46,619	€17.11	-	-	-	46,619	€17.11
Total	**79,100**				**186,476**		**-**	**-**	**-127,142**	**59,334**	
PLAN No. 2 – 2010 stock option plan, maximum issue of 1,990,000 shares General Meeting of 25/11/2010											
25/11/2010	5,000	€145.00	30/06/2012	31/12/2015	16,952	€17.11	-	-	-16,952	-	€17.11
Total	**10,000**				**16,952**		**-**	**-**	**-16,952**	**-**	
PLAN No. 3 - 2011 stock option plan, maximum issue of 1,033,111 shares (increased by way of an amendment to 1,295,611 in June 2013) General Meeting of 28/04/2011											
18/11/2011	516,175	€14.90	18/05/2014	18/11/2019	473,350	€14.90	-	-23,050	-	450,300	€14.90
18/11/2011	516,175	€14.90	18/11/2016	18/11/2019	473,350	€14.90	-	-23,050	-	450,300	€14.90
28/03/2013	131,250	€15.90	28/09/2015	28/03/2021	-	€15.90	131,250	-11,500	-	119,750	€15.90
28/03/2013	131,250	€15.90	28/03/2018	28/03/2021	-	€15.90	131,250	-11,500	-	119,750	€15.90
Total	**1,294,850**				**946,700**		**262,500**	**-69,100**	**0**	**1,140,100**	
TOTAL OF PLANS	**1,383,950**				**1,150,128**		**262,500**	**-69,100**	**-144,094**	**1,199,434**	

- 144,094 share subscription options were exercised in 2013.
- 69,100 share subscription options were cancelled in 2013 following the departure of the holders.
- No options were allocated under Plan No. 1.
- The fair values of the share subscription options allocated under Plan No. 1 and Plan No. 2 were determined using the binominal model recommended by IFRS 2.
- The fair value of the share subscription options allocated under Plan No. 3 was determined using the same binomial model and the following assumptions: average expected life of 4.5 and 6 years; expected volatility of 29.44%; dividend yield of 1.39% and risk-free interest rate of 2.48%. Expected volatility was determined on the basis of the volatility expected for stocks in comparable sectors.
- The average closing share price in 2013 was €18.20.
- The amount recognised in respect of 2013, in accordance with the method indicated in Note 1.16 Share-based payment, was €1,060 thousand. This current expense relating to the valuation of services provided by beneficiaries in exchange for the granting of stock options was recorded in the income statement. No non-recurring expenses were recognised in relation to the cost of services rendered by employees benefiting from share subscription options whose right to exercise their options was maintained despite their departure from the Group in 2013.

23.3. Bonus share allocation plan

This plan concerns the allocation of bonus shares to the Group's employees ratified by the Board of Directors on 14 February 2012 and leading to the creation of approximately 50,000 shares in the long-term.

Under IFRS 2 *Share-based Payment*, the fair value of the bonus shares granted calculated at the award date of the rights is expensed over the vesting period, *i.e.* two to four years. This expense amounted to €292 thousand for 2013.

23.4. Capital reserves

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Share issue, merger and contribution premium	103,877	100,613	97,612
Legal reserve	2,773	2,018	1,587
TOTAL	**106,650**	**102,631**	**99,199**

The principal movements in 2013 were as follows:

- appropriation of 2012 profit to the legal reserve: €755 thousand;
- issue premium related to the capital increase resulting from the exercise of 144,094 subscription options: €1,919 thousand;
- premium related to the 2012 bonus share plan and stock options still to be exercised: €1,345 thousand.

23.5. Dividends

Upon approval of the 2012 financial statements, the General Shareholders' Meeting of Axway Software held on 4 June 2013 decided to distribute a dividend of €0.35 per share, representing a total of €7,112 thousand.

This dividend was scheduled for payment on 12 June 2013.

It is proposed to the 2014 General Meeting approving the 2013 financial statements to distribute a dividend of €0.40 per share, which, based on the number of shares existing at 31 December 2013, amounts to €8,186 thousand.

23.6. Capital management objectives, policy and procedures

The Company's capital consists solely of the items disclosed in the balance sheet. There are no financial liabilities considered as components of capital and, conversely, there are no equity components not considered to be part of the Company's capital.

The Company does not operate under any external capital constraints, other than the net debt to equity ratio, which, under the covenants stipulated in the syndication contract, must remain below 1 throughout the loan period.

The Company has entered into a liquidity contract to ensure the liquidity of transactions and regular trading of its shares, in order to avoid share price fluctuations that are not justified by market trends. The amount covered by the liquidity contract enabling the intermediary to carry out transactions under the contract is €1.1 million.

Note 24. Financial debt

24.1. Net debt

(in thousands of euros)	Current	Non-current	31/12/2013	31/12/2012	31/12/2011
Bank loans	8,988	26,076	35,064	39,566	-
Employee profit sharing	473	2,443	2,916	2,555	2,372
Current bank overdrafts	11	-	11	8	126
FINANCIAL DEBT	**9,472**	**28,519**	**37,991**	**42,129**	**2,498**
Investment securities	-	-	-	-	-
Cash and cash equivalents	-49,176	-	-49,176	-35,378	-23,801
NET DEBT	**-39,704**	**28,519**	**-11,185**	**6,751**	**-21,303**

Current accounts

Until the end of the first half of 2011, the financing of Axway was provided in full by the Sopra Group through current account advances. This current account was reimbursed in full following the capital increase implemented in July 2011.

Bank loans

Axway Software has a €100 million multi-currency credit line contracted with six banks in June 2011 and intended to finance acquisitions and the Group's general needs. This credit line comprises two tranches:

- the first €50 million tranche, "credit line A", is a five-year, multi-currency term loan repayable six-monthly from 15 December 2013. It is intended to finance acquisitions;

- the second €50 million tranche, "credit line B", is a five-year, multi-currency revolving loan, repayable six-monthly over the last two years of the loan term. It is intended to finance the Group's general funding needs, including investments and acquisitions.

The applicable interest rate is Euribor for the drawdown period concerned plus a spread adjusted every six months in relation to the change in the net debt/EBITDA ratio. The net debt figure used does not include employee profit-sharing liabilities.

These lines are subject to a non-utilisation commission.

Three financial ratios must be met under covenants entered into with partner banking establishments (see Note 32.3).

During the period, €40 million was drawn down in 2012 on tranche A of this line to finance the acquisition of Vordel.

Employee profit sharing

Axway Software's profit-sharing reserves are managed in current accounts that cannot be accessed for five years, on which interest accrues at a fixed rate. An agreement struck in 2002 also enables employees to opt for external management in multi-company mutual funds.

Pursuant to the application of IAS 32 and IAS 39, liabilities in respect of profit sharing were restated, as described in Note 1.19.

24.2. Statement of changes in net debt

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Net debt at 1 January (A)	**6,751**	**-21,303**	**48,179**
Cash from operations after cost of net debt and tax	**45,282**	**30,955**	**26,247**
Cost of net financial debt	674	51	1,633
Income taxes (including deferred tax)	-9,759	3,976	5,208
Cash from operations before cost of net debt and tax	**36,197**	**34,982**	**33,088**
Income taxes paid	-4,325	-4,151	-5,830
Changes in working capital requirements	-3,540	-10,779	8,078
Net cash from operating activities	**28,332**	**20,052**	**35,336**
Change related to investing activity	-2,992	-6,193	-3,389
Net interest paid	-673	-63	-1,633
Available net cash flow	**24,667**	**13,796**	**30,314**
Impact of changes in the scope of consolidation	-291	-39,401	-
Financial investments	-356	33	-166
Dividends	-7,101	-5,025	-21,785
Capital increase in cash	2,207	2,149	61,195
Application of *IAS 32/39*	-	-	-
Other changes	-36	498	-541
Total net change during the year (B)	**19,090**	**-27,950**	**69,017**
Impact of changes in exchange rates	-1,154	-104	465
NET DEBT AT 31 DECEMBER (A-B)	**-11,185**	**6,751**	**-21,303**

Impact of changes in the 2013 scope of consolidation: (-) 0.3 million

There were no significant changes in the scope of consolidation in 2011.

The 2012 change concerned the acquisition of Vordel in November. The 2013 change related to the price adjustment clause for this acquisition.

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Cost of acquisition (excluding earn-out)	-	-42,570	-
Portion remunerated in the form of Axway shares	-	-	-
Net debt/net cash of the Company acquired	-	3,169	-
Deferred payments	-	-	-
Earn-outs disbursed for previous acquisitions	-272	-	-
TOTAL	**-272**	**-39,401**	**-**

Note 25. Other non-current liabilities

25.1. Provision for post-employment benefits

These provisions relate to two non-financed defined-benefit plans in France and Italy.

(in thousands of euros)	01/01/2013	Change in scope of consolidation	Provisions for the year	Reversals for the year (provisions used)	Reversal for the year (unused provisions)	Other changes	Change in actuarial differences	31/12/2013
France	5,758	-	595	-	-	-	-527	5,826
Italy	845	-	80	-	-	-	-	925
Germany	18	-	126	-	-	-124	-	20
TOTAL	**6,621**	**-**	**801**	**-**	**-**	**-124**	**-527**	**6,771**
Impact (net of expenses incurred)								
Profit from recurring operations			602		-			
Financial items			199		-			
TOTAL			**801**		**-**			

In France, the defined-benefits scheme relates to the payment of retirement benefits. The Group provides for its commitments to employees in accordance with the provisions of the Syntec collective bargaining agreement with respect to the retirement scheme modified in 2004 pursuant to the retirement reform measures introduced by the Loi Fillon of 21 August 2003. Provisions for retirement benefits are recognised in accordance with the conditions in Note 1.18.

The main actuarial hypotheses retained for this plan are as follows:

	31/12/2013	31/12/2012	31/12/2011
Benchmark for discounting	Source: Bloomberg	Source: Bloomberg	Source: Bloomberg
Discount rate for commitments	2.80%	2.60%	3.75%
Future salary growth rate	2.50%	2.50%	2.50%
Age at retirement	65	65	65
Mortality table	Insee 2006-2008	Insee 2004-2006	Insee 2004-2006

Assumptions referring to mortality rates are based on published statistical data.

Turnover tables are established for each company concerned by five-year age groups and are updated at each balance sheet date to reflect data on employee departures for the last five years.

Retirement benefit commitments are discounted using a discount rate corresponding to the interest rate of prime corporate bonds (carrying a rating of AA or higher) denominated in the payment currency, the maturity period of which is close to the average estimated length of the retirement obligation concerned.

Since 31 December 2009 and for the euro zone, the Group has used the rates published by Bloomberg as the benchmark for the discounting of its retirement obligations. A discount rate of 2.8% was used for 2013.

A ±1.0 point change in the discount rate would have an impact of about (-)€689 thousand/(+)€835 thousand on the total commitment.

In Italy, the defined-benefits scheme relates to the payment of regulatory termination benefits (*Trattamento di Fine Rapporto*). These payments are calculated as a proportion of the employee's gross annual salary and are linked to the price index issued by the Italian Institute of Statistics (ISTAT).

TABLE OF CHANGES IN THE PROVISION FOR RETIREMENT BENEFITS (FRANCE)

(in thousands of euros)	Present value of obligations not financed	Unrecognised actuarial differences	Net commitments recognised in the balance sheet	Taken to the income statement
31 December 2011	**4,983**	**-**	**4,983**	**478**
Past service cost	366	-	366	366
Financial cost	201	-	201	201
Benefits paid to employees	-	-	-	-
Change in actuarial differences	208	-	208	-
31 December 2012	**5,758**	**-**	**5,758**	**567**
Past service cost	435	-	435	435
Financial cost	160	-	160	160
Benefits paid to employees	-	-	-	-
Change in actuarial differences	-527	-	-527	-
31 DECEMBER 2013	**5,826**	**-**	**5,826**	**595**

Analysis of the change in recognised actuarial differences

Actuarial differences result solely from the changes in present value of the obligation, in the absence of scheme assets.

These differences include the effects of changes in actuarial assumptions and the effects of the differences between the actuarial assumptions used and actual experience (experience adjustments detailed below).

In 2013, actuarial gains recognised for the year (€527 thousand) resulted chiefly from:

- experience impacts on liabilities (downward adjustment in the commitment of €263 thousand);
- the impact of the 0.20 point increase in the discount rate used compared with 2012 (downward adjustment in the commitment of €154 thousand);
- updating of five-year workforce turnover rates and assumptions relating to departure procedures (upward adjustment in the commitment of €110 thousand).

Experience adjustments arising on scheme liabilities are presented in the table below:

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Present value of obligations for defined benefits	5,826	5,758	4,983
Experience adjustments on scheme liabilities	-263	-114	45
Experience adjustments on scheme liabilities *(in % of commitments)*	-4.51%	-1.98%	0.90%

The breakdown by maturity of the French retirement benefit commitment, discounted at 2.80%, is shown in the table below:

(in euros)	31/12/2013
Present value of theoretical benefits to be paid by employer:	
• less than one year	5,947
• one to two years	88,424
• two to three years	251,909
• three to four years	114,613
• four to five years	446,647
• five to ten years	1,178,614
• 10 to 20 years	2,436,668
• more than 20 years	1,303,548
TOTAL COMMITMENT	**5,826,370**

25.2. Non-current provisions

CHANGES IN PROVISIONS IN 2013

(in thousands of euros)	01/01/2013	Change in scope of consolidation	Provisions for the year	Reversals for the year (provisions used)	Reversal for the year (unused provisions)	Other changes	31/12/2013
Provisions for disputes	698	-	634	-451	-571	-	310
Provisions for guarantees	630	-	80	-	-	-	710
Other provisions for contingencies	330	-	258	-444	-56	12	100
Subtotal provisions for contingencies	**1,658**	**-**	**972**	**-895**	**-627**	**12**	**1,120**
Provisions for tax	-	-	1,298	-	-	-	1,298
Other provisions for losses	171	-	15	-14	-	-	172
Subtotal provisions for losses	**171**	**-**	**1,313**	**-14**	**-**	**-**	**1,470**
TOTAL	**1,829**	**-**	**2,285**	**-909**	**-627**	**12**	**2,590**
Impact (net of expenses incurred)							
Profit from recurring operations			976		-627		
Financial items			11		-		
Tax expense			1,298		-		
TOTAL			**2,285**		**-627**		

- A provision for guarantees of €710 thousand is recognised in the financial statements of Axway Software GmbH.
- Provisions for disputes mainly relate to labour arbitration proceedings, severance pay and a number of trade disputes;
- Provision for tax was made to cover a tax risk relating to a pending tax inspection on the parent company for 2009, 2010 and 2011. The tax authorities notified an adjustment proposal corresponding to the amount of provision.

25.3. Other non-current liabilities

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Non-current asset liabilities – portion due in more than one year	-	-	-
Employee profit sharing during the year	791	859	608
Derivatives	-	86	-
TOTAL	**791**	**945**	**608**

The *employee profit-sharing* line as at 31 December 2013 records Axway Software's provisions for profit-sharing liabilities for the financial year. These amounts increase financial debt for the following year.

Note 26. Trade payables

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Trade payables	6,306	9,966	8,184
Trade payables – advances and payments on account, accrued credit notes	-	-	-
TOTAL	**6,306**	**9,966**	**8,184**

Note 27. Other current liabilities

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Non-current asset liabilities – portion due in less than one year	283	131	262
Employee data	14,372	14,624	14,920
Social security	9,488	9,037	8,688
VAT	5,380	8,184	8,053
Other Tax liabilities (excluding corporate income tax)	2,065	1,023	702
Corporate income tax	2,357	1,529	1,596
Deferred income	39,694	40,014	31,564
Other liabilities	185	222	29
Derivatives	-	-	0
TOTAL	**73,824**	**74,764**	**65,814**

Deferred income mainly comprises the portion of billings issued in advance on fixed-price and maintenance contracts (cf. Note 1.21).

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OTHER INFORMATION

Note 28. Segment information

GEOGRAPHICAL BREAKDOWN OF REVENUE

(in thousands of euros)	2013		2012		2011	
Europe	140,126	59.0%	131,033	58.4%	135,017	62.1%
Americas	90,681	38.2%	86,509	38.6%	76,736	35.3%
Asia Pacific	6,738	2.8%	6,778	3.0%	5,491	2.5%
TOTAL REVENUE	**237,545**	**100%**	**224,320**	**100%**	**217,244**	**100%**

Note 29. Derivatives reported in the balance sheet

AT 31 DECEMBER 2013

	31/12/2013		Breakdown by class of derivative instrument					
(in thousands of euros)	Balance sheet value	Fair value	Assets and liabilities at fair value through profit and loss	Available for sale assets	Loans, receivables and other liabilities	Financial debt at amortised cost	Derivatives at fair value through profit or loss	Derivatives at fair value through equity
Financial assets	1,186	1,186	-	-	1,186	-	-	-
Trade receivables	64,432	64,432	-	-	64,432	-	-	-
Other current receivables	22,075	22,075	-	-	22,075	-	-	-
Cash and cash equivalents	49,176	49,176	49,176	-	-	-	-	-
FINANCIAL ASSETS	**136,869**	**136,869**	**49,176**	**-**	**87,693**	**-**	**-**	**-**
Financial debt – long term portion	28,519	28,519	-	-	-	28,519	-	-
Other non-current liabilities	791	791	791	-	-	-	-	-
Financial debt – short-term portion	9,472	9,472	9,472	-	-	-	-	-
Trade payables	6,306	6,306	-	-	6,306	-	-	-
Other current liabilities	73,824	73,824	-	-	73,824	-	-	-
FINANCIAL LIABILITIES	**118,912**	**118,912**	**10,263**	**-**	**80,130**	**28,519**	**-**	**-**

The fair value of trade receivables, other current receivables, trade payables and other current liabilities is the same as the balance sheet value, owing to their very short settlement times.

AT 31 DECEMBER 2012

	31/12/2012		Breakdown by class of derivative instrument					
(in thousands of euros)	Balance sheet value	Fair value	Assets and liabilities at fair value through profit and loss	Available for sale assets	Loans, receivables and other liabilities	Financial debt at amortised cost	Derivatives at fair value through profit or loss	Derivatives at fair value through equity
Financial assets	833	833	-	-	833	-	-	-
Trade receivables	72,202	72,202	-	-	72,202	-	-	-
Other current receivables	16,817	16,817	-	-	16,817	-	-	-
Cash and cash equivalents	35,378	35,378	35,378	-	-	-	-	-
FINANCIAL ASSETS	**125,230**	**125,230**	**35,378**	**-**	**89,852**	**-**	**-**	**-**
Financial debt – long term portion	36,876	36,876	-	-	-	36,876	-	-
Current account – Sopra Group	-	-	-	-	-	-	-	-
Other non-current liabilities	945	945	945	-	-	-	-	-
Financial debt – short-term portion	5,253	5,253	5,253	-	-	-	-	-
Trade payables	9,966	9,966	-	-	9,966	-	-	-
Other current liabilities	74,764	74,764	-	-	74,764	-	-	-
FINANCIAL LIABILITIES	**127,804**	**127,804**	**6,198**	**-**	**84,730**	**36,876**	**-**	**-**

Note 30. Risk factors

30.1. Credit risk

a. Maturity of trade receivables

2013

				Of which: not impaired at the balance sheet date but past due, with the following breakdown					
(in thousands of euros)	Carrying amount	Of which: impaired	Of which: neither impaired nor past due at the balance sheet date	less than 30 days	between 30 and 60 days	between 61 and 90 days	between 91 and 180 days	between 181 and 360 days	more than 360 days
Trade receivables (including doubtful debtors)	60,375	962	40,899	11,660	2,766	1,437	2,028	345	278

b. Statement of changes in provisions for doubtful receivables

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Impairment of trade receivables at start of period	**2,136**	**745**	**555**
Provisions	774	1,432	340
Reversals	-1,912	-102	-152
Changes in scope of consolidation	-	91	-
Translation differential	-36	-30	2
IMPAIRMENT OF TRADE RECEIVABLES AT END OF PERIOD	**962**	**2,136**	**745**

30.2. Liquidity risk

According to the definition given by the *Autorité des marchés financiers*, liquidity risk arises when assets are longer term than liabilities. This can result in an inability to repay short-term debt if the Company is unable to sell the asset in question or obtain bank credit lines.

At 31 December 2013, there was no liquidity risk. At the same date, the Group had €85.6 million in credit lines (of which, it had used €35.6 million) and unused bank overdrafts in the amount of €20 million, which totalled €106.6 million. Furthermore, the Group had liquidity of €49.2 million.

The following table shows the non-discounted contractual cash flows of consolidated net debt at 31 December 2013:

(in thousands of euros)	Carrying amount	Total contractual flows	Less than one year	One to two years	Two to three years	Three to four years	Four to five years	More than five years
Bank loans	35,064	36,355	9,176	9,081	18,098	-	-	-
Employee profit sharing	2,916	3,028	342	289	451	447	818	681
Current bank overdrafts	11	11	11	-	-	-	-	-
Financial debt	**37,991**	**39,394**	**9,529**	**9,370**	**18,549**	**447**	**818**	**681**
Investment securities	-	-	-	-	-	-	-	-
Cash and cash equivalents	-49,176	-49,176	-49,176	-	-	-	-	-
CONSOLIDATED NET DEBT	**-11,185**	**-9,782**	**-39,647**	**9,370**	**18,549**	**447**	**818**	**681**

30.3. Market risk

a. Interest rate risk

Interest rate risk is managed by the Group's Finance Department in liaison with the partner banking institutions.

Hedging of borrowings

When the multi-currency credit line was subscribed, a hedging contract was put in place to guard against the risks of a rise in the interest rate applicable to this line, the three-month Euribor.

At 31 December 2013, a swap contract concerning the drawdown made on the multi-currency credit line was under way. The notional amount hedged is 100% of the drawdown made over the total life of the borrowing, *i.e.* until redemption at 15 June 2016.

Summary of exposure to interest rate risk

The table below shows the Group's exposure to interest rate risk based on commitments at 31 December 2013.

As of 31/12/2013	Interest rate	31/12/2013	Less than one year	One to two years	Two to three years	Three to four years	Four to five years	More than five years
Cash and cash equivalents	Fixed rate	49,176	49,176	-	-	-	-	-
	Variable rate	-						
Financial assets	**Fixed rate**	**49,176**	**49,176**	**-**	**-**	**-**	**-**	**-**
	Variable rate	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Bank loans	Fixed rate							
	Variable rate	35,064	8,988	8,739	17,337		-	-
Employee profit sharing	Fixed rate	2,916	473	382	571	541	949	-
	Variable rate	-						
Current bank overdrafts	Fixed rate	-						
	Variable rate	-11	-11	-	-	-	-	-
Financial liabilities	**Fixed rate**	**2,916**	**473**	**382**	**571**	**541**	**949**	**-**
	Variable rate	**35,053**	**8,977**	**8,739**	**17,337**	**-**	**-**	**-**
NET EXPOSURE BEFORE HEDGING	**FIXED RATE**	**52,092**	**49,649**	**382**	**571**	**541**	**949**	**-**
	VARIABLE RATE	**35,053**	**8,977**	**8,739**	**17,337**	**-**	**-**	**-**
Interest rate hedging instruments	**Fixed-rate payer swap**	**-35,064**	**-8,988**	**-8,739**	**-17,337**	**0**	**-**	**-**
NET EXPOSURE AFTER HEDGING	**FIXED RATE**	**87,156**	**58,637**	**9,121**	**17,908**	**541**	**949**	**-**
	VARIABLE RATE	**-11**	**-11**	**-**	**-**	**-**	**-**	**-**

b. Foreign exchange risk

Foreign exchange risk arises mainly from currency translation of financial statements for companies based in the USA and Sweden. No specific hedge has been arranged for this type of risk.

The exposure to risk arising from trade transactions is limited, since each of the entities involved mainly carries out business in its own country and its own currency.

Furthermore, as part of its intra-group transactions, the Group is exposed to the risk of currency fluctuations in respect of:

- the invoicing of services provided from a centre located in Romania. The impact of these currency fluctuations on profit or loss is in principle negligible in view of the regularity of settlements;
- the invoicing of licence fees by the Group to subsidiaries operating in a functional currency other than the euro. The impact of these currency fluctuations on profit or loss is not significant;
- borrowings and loans in foreign currencies related to intra-group financings. The impact of these currency fluctuations is taken to equity. These money flows are not systematically hedged. However, the Group contracts specific hedges, if appropriate, for all large individual foreign currency transactions.

At 31 December 2013, the net carrying amount of assets and liabilities recognised by Group entities in a currency other than their functional currency was as follows:

INTRA-GROUP COMMERCIAL TRANSACTIONS

(in thousands of euros)	USD	GBP	EUR	SEK	SGD	Other	Total
Assets	7,880	2,683	1,353	691	26	1,477	14,110
Liabilities	7,784	101	1,199	128	604	263	10,079
Foreign currency commitments	-	-	-	-	-	-	-
Net position before hedging	**96**	**2,582**	**154**	**563**	**-578**	**1,214**	**4,031**
Hedging instruments	-	-	-	-	-	-	-
NET EXPOSURE AFTER HEDGING	**96**	**2,582**	**154**	**563**	**-578**	**1,214**	**4,031**

SENSITIVITY ANALYSIS

(in thousands of euros)	USD	GBP	EUR	SEK	SGD	Other	Total
Currency change assumption (appreciation)	5%	5%	5%	5%	5%	5%	-
NET IMPACT ON PROFIT	**5**	**129**	**8**	**28**	**-29**	**61**	**202**
IMPACT ON EQUITY	**-**	**-**	**-**	**-**	**-**	**-**	**-**

CURRENT ACCOUNTS

(in thousands of euros)	USD	GBP	EUR	SEK	SGD	Other	Total
Assets	7,447	-	1,388	-	288	120	9,243
Liabilities	11,136	733	800	80	-	819	13,568
Foreign currency commitments	-	-	-	-	-	-	-
Net position before hedging	**-3,689**	**-733**	**588**	**-80**	**288**	**-699**	**-4,325**
Hedging instruments	-	-	-	-	-	-	-
NET EXPOSURE AFTER HEDGING	**-3,689**	**-733**	**588**	**-80**	**288**	**-699**	**-4,325**

SENSITIVITY ANALYSIS

(in thousands of euros)	USD	GBP	EUR	SEK	SGD	Other	Total
Currency change assumption (appreciation)	5%	5%	5%	5%	5%	5%	
NET IMPACT ON PROFIT	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IMPACT ON EQUITY	**-184**	**-37**	**29**	**-4**	**14**	**-35**	**-217**

c. Equity risk

At 31 December 2013, Axway Software held 28,655 of its own shares, acquired under the terms of the share repurchase programmes authorised by the General Shareholders' Meeting at an average price of €21.81, for a total outlay of €625 thousand.

All transactions in treasury shares are taken directly to shareholders' equity. The impact at 31 December 2013 was (-)€7 thousand (see Statement of changes in consolidated shareholders' equity).

Note 31. Related-party transactions

31.1. Remuneration of senior management

The items shown in the table below concern the directors and Executive Management.

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Short-term employee benefits(1)	889	912	1,188
Equity compensation benefits	166	240	28
TOTAL	**1,055**	**1,152**	**1,216**

(1) Short-term employee benefits include the fixed and variable components of compensation, as well as benefits in kind and directors' fees.

The item Equity compensation benefits relates to the value of the services rendered by Christophe Fabre, which were compensated through the granting of options in 2011.

The General Shareholders' Meeting of 4 June 2013 set the amount of directors' fees to be shared between the directors at €262.5 thousand.

31.2. Transactions with the Sopra Group, Sopra Group companies and GMT

The tables below detail the transactions between the Group and Sopra Group SA, the companies in the Sopra Group, and the GMT holding company.

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Transactions with the Sopra Group			
Sale of goods and services	472	257	996
Purchase of goods and services	-3,550	-4,574	-8,191
Operating receivables	142	126	307
Operating payables	-147	-231	-490
Financial expense	-	-	-752
Financial liabilities (current account)	-	-	-
Transactions with Sopra Group companies			
Sale of goods and services	126	894	623
Purchase of goods and services	-4,079	-3,590	-3,200
Operating receivables	4	998	795
Operating payables	-471	-1,006	-470
Transactions with GMT			
Purchase of goods and services	-249	-216	-64
Operating payables	-82	-36	-

The purchase of goods and services from the parent company concerns the use of premises, the use of IT resources, internal sub-contracting and non-recurring expenses related to the spin-off of Axway Software from the Sopra Group.

31.3. Subsidiaries and associated entities

Transactions and balances between Axway Software and its subsidiaries were eliminated in full on consolidation, since all of the subsidiaries are fully consolidated.

31.4. Relationships with other related parties

None.

Note 32. Off-balance sheet commitments and contingent liabilities

32.1. Contractual obligations

Contractual obligations	Payments due per period			31/12/2013	31/12/2012	31/12/2011
(in thousands of euros)	Less than one year	One to five years	More than five years			
Long-term liabilities	8,988	26,076	-	35,064	39,566	-
Finance lease obligations	-	-	-	-	-	-
Employee profit sharing	473	2,443	-	2,916	2,555	2,372
Current bank overdrafts	11	-	-	11	8	126
TOTAL COMMITMENTS RECOGNISED	**9,472**	**28,519**	**-**	**37,991**	**42,129**	**2,498**

Other commercial commitments	Amount of commitments per period			31/12/2013	31/12/2012	31/12/2011
(in thousands of euros)	Less than one year	One to five years	More than five years			
Credit lines	-	-	-	-	-	-
Letters of credit	-	-	-	-	-	-
Guarantees	-	677	-	677	625	-
Purchase obligations	-	-	-	-	-	-
Other commercial commitments	-	-	-	-	-	-
TOTAL COMMITMENTS NOT RECOGNISED	**-**	**677**	**-**	**677**	**625**	**-**

As part of the commitments received, Axway Software enjoys:

- an unused credit line of €20 million;
- an 18-month liability guarantee granted by the seller at the time of acquisition of Vordel in November 2012.

Axway Software also has an €85.6 million multi-currency credit line (see paragraph 24.1), which was used in the amount of €35.6 million at 31 December 2013.

The Group hires its IT equipment, office fixtures and fittings and premises under operating lease contracts. The rental charges for the above totalled €9.2 million in 2013, €8.8 million in 2012 and €9.2 million in 2011.

At 31 December 2013, the minimum annual payments due in the future under non-cancellable lease contracts were as follows:

(in thousands of euros)	Operating leases
2014	5,843
2015	4,844
2016	3,321
2017	2,084
2018	1,565
2019 and subsequent years	3,352
TOTAL MINIMUM FUTURE LEASE PAYMENTS	**21,009**

32.2. Commitments given related to recurring operations

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Bank guarantees/deposits on leased premises	266	225	-
Other guarantees	11	-	-
Collateral, guarantees, mortgages and sureties	400	400	-

At 31 December 2013, the values of interest rate hedging derivatives put in place for internal financing in currencies concerned a euro/US dollar swap with a negative value of €88 thousand for a nominal amount of $10 million (countervalue of €7.7 million).

32.3. Covenants

As part of the syndicated loan facility arranged in June 2011, the Group has to comply with the following covenants:

- net debt/EBITDA ratio of below 3.0 between 30 June 2011 and 30 June 2013, and lower than 2.5 from 31 December 2013;
- EBITDA/financial expense ratio of above 5.0 throughout the term of the loan;
- net debt/shareholders' equity ratio of lower than 1.0 throughout the term of the loan.

At 31 December 2013, the Group complied with all the covenants and commitments included in this contract.

Note that the net debt figure used in the calculations does not include employee profit-sharing liabilities.

32.4. Contingent liabilities

No potential liabilities had to be taken into consideration.

32.5. Collateral, guarantees and surety

Under the terms of the loan agreement signed on 7 June 2011, and in relation to the loans obtained, Axway Software pledged its goodwill to the lenders as collateral and surety for the obligations guaranteed. The amount of this guarantee is equal to the amount of the medium-term loan obtained, *i.e.* €100 million.

Note 33. Exceptional events and legal disputes

The dispute with the US administration following an audit of General Services Administration (GSA) was resolved in the second half of 2013 with the finalisation of a mutual agreement leading Axway to pay the sum of $6.2 million (approximately €4.7 million) in damages, thus ending this dispute which began in 2011.

The corresponding expense was recognised under the item Other operating income and expenses (see Note 10).

As far as the Group is aware, and notwithstanding the information provided in this report, there were no disputes or litigation known of or under way that may have a significant negative impact on the Group's financial position, at the date of this report.

Note 34. Events subsequent to the financial year-end

Between 1 January 2014 and the date of the Board meeting, no significant event liable to impact the financial statements presented took place. Axway published two press releases relating to the proposed acquisition of Systar SA between 1 January and the date this Registration Document was approved by the AMF. These press releases are repeated in Chapter 3, Section 3.3 «Recent change»

Note 35. Rates of conversion of foreign currencies

€1/currency	Average rate for the period			Period-end rate		
	2013	2012	2011	**31/12/2013**	31/12/2012	31/12/2011
Swiss franc	1.2309	1.2053	1.2318	1.2276	1.2072	1.2156
Pound sterling	0.8493	0.8108	0.8675	0.8337	0.8161	0.8353
Swedish krona	8.6505	8.7025	9.0261	8.8591	8.5822	8.9119
Romanian leu	4.4193	4.4567	4.2371	4.4710	4.4444	4.3234
Bulgarian lev	1.9558	1.9558	1.9558	1.9558	1.9558	1.9558
US dollar	1.3282	1.2849	1.3904	1.3791	1.3194	1.2939
Australian dollar	1.3770	1.2407	1.3478	1.5423	1.2712	1.2723
Hong Kong dollar	10.3018	9.9671	10.8237	10.6933	10.2260	10.0513
Singapore dollar	1.6618	1.6052	1.7487	1.7414	1.6111	1.6819
Yuan (China)	8.1655	8.1813	8.9847	8.3491	8.2210	8.1586
Rupee (India)	77.8753	68.5871	64.7668	85.3660	72.5689	68.7285
Real (Brazil)	4.1855	2.5097	2.3259	4.5221	2.7264	2.4175
Ringgit (Malaysia)	3.0824	3.9683	4.2537	3.2576	4.0347	4.1054

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders,

In accordance with our appointment as Statutory Auditors by your General Meetings, we hereby report to you for the year ended 31 December 2013 on:

- the audit of the accompanying consolidated financial statements of the Group;
- the justification of our assessments;
- the specific procedures required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the consolidated financial statements

We performed our audit in accordance with generally accepted French auditing standards. These standards require that we perform our audit in such a way as to obtain reasonable assurance that the consolidated financial statements are free from material misstatement. An audit involves the verification, on a test basis or through the use of any other selection methods, of the evidence supporting the amounts and disclosures included in the consolidated financial statements. An audit also includes an assessment of the accounting policies used and significant estimates made by the management, as well as an evaluation of the overall presentation of the financial statements. We believe that the evidence we have been able to gather provides a sufficient and appropriate basis to express our audit opinion.

We certify that the consolidated financial statements are, with respect to IFRS as adopted in the European Union, true and fair and provide a true and fair view of the net worth, financial situation and earnings of the consolidated entity at the end of the financial year under review.

II. Justification of assessments

In accordance with Article L. 823-9 of the French Commercial Code governing the justification of our assessments, we hereby report on the following matters:

- the Company allocates a provision for its retirement benefit commitments towards its employees based on the projected credit unit method, as indicated in Notes 1.18.b and 25.1 of the consolidated financial statements. In the course of our assessments, we examined the data used, we assessed the actuarial assumptions retained, verified the overall consistency of these assumptions and the resulting measurements, as well as the appropriateness of the information provided in the note;
- at each balance sheet date, the Company systematically performs an impairment test on goodwill, based on the methods described in Notes 1.11 and 15.3 to the consolidated financial statements. In the course of our assessments, we examined the appropriateness of the approach adopted in addition to the implementation methods of this impairment test and the overall consistency of the assumptions used and the resulting assessments;
- the Company recognises deferred tax assets in application of the procedures described in Notes 1.13 and 19.3 to the consolidated financial statements. In the course of our assessments, we verified the consistency of all of the data and assumptions that underpin the measurement of deferred tax assets.

These assessments form part of our overall audit approach of the consolidated financial statements and thus contributed to the formulation of our unqualified opinion expressed in the first section of this report.

III. Specific verification

We also performed the specific procedures in accordance with professional standards applicable in France and required by law in relation to the information relating to the Group provided in the management report.

We have no comments to make on the sincerity and consistency with the consolidated financial statements.

Courbevoie and Paris, 22 April 2014

The Statutory Auditors

Auditeurs & Conseils Associés	**Mazars**
François Mahé	Christine Dubus

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2013 PARENT COMPANY FINANCIAL STATEMENTS

BALANCE SHEET

ASSETS *(in thousands of euros)*	2013	2012
Intangible assets	25,327	28,839
Property, plant and equipment	3,699	3,912
Financial investments	183,985	182,049
Non-current assets	**213,010**	**214,801**
Trade receivables	41,635	47,111
Other receivables, prepayments and accrued income	17,823	10,932
Cash and cash equivalents	18,754	16,478
Current assets	**78,212**	**74,521**
TOTAL ASSETS	**291,223**	**289,322**

LIABILITIES *(in thousands of euros)*	2013	2012
Share capital	40,930	40,642
Premiums	101,243	99,324
Reserves	15,197	7,214
Carried forward	12	12
Net profit for the year	13,492	15,083
Tax-driven provisions	6,141	8,602
Equity	**177,016**	**170,878**
Provisions	**6,544**	**4,979**
Financial debt	65,434	75,113
Trade payables	13,159	12,295
Tax and social charge payables	22,457	20,855
Other liabilities, accruals and deferred income	6,613	5,202
Liabilities	**107,663**	**113,465**
TOTAL LIABILITIES	**291,223**	**289,322**

INCOME STATEMENT

(in thousands of euros)	2013	2012
Net revenue	140,823	135,959
Other operating income	1,167	220
Operating income	**141,990**	**136,179**
Purchases consumed	51,938	50,101
Employee costs	58,389	54,530
Other operating expense	19,235	17,441
Taxes and duties	3,482	3,083
Depreciation, amortisation and provisions	6,146	5,685
Operating expenses	**139,190**	**130,841**
Operating profit	**2,800**	**5,338**
Financial income and expense	3,959	5,760
Pre-tax profit on ordinary activities	**6,759**	**11,098**
Exceptional income and expenses	2,623	2,498
Employee profit-sharing and incentive schemes	-1,222	-1,070
Corporate income tax	5,332	2,557
NET PROFIT	**13,492**	**15,083**

NOTES TO THE 2013 PARENT COMPANY FINANCIAL STATEMENTS

1 Significant events, accounting policies and valuation rules

1.1 Significant events

Tax audit

A tax audit has been under way since September 2012 and relates to the period from 1 January 2009 to 31 December 2011.

At the end of 2012, Axway received the notification for the 2009 accounting period and in July 2013, that for the 2010 and 2011 accounting periods.

Axway made provisions for all the reassessments at end 2013, while challenging most of the amounts and detailed its observations to the authorities in September 2013. The authorities replied in November 2013 that it upheld all the reassessments.

Upon receiving the payment notification, Axway decided to initiate legal action.

URSSAF audit

A URSSAF audit began in May 2013 for the 2010 to 2012 accounting periods.

No notification has been received to date.

Establishment of a subsidiary in Brazil

The Axway Group established a new subsidiary in Brazil in September 2013. This company is to become the Group's operating base in Latin America. It took over the operations of the distributor SCI, which had been marketing Axway's products in Brazil for several years.

1.2. Accounting policies and valuation rules

The 2013 financial statements were prepared in accordance with French generally accepted accounting principles.

These principles were applied on a prudent basis and in accordance with the following underlying assumptions:

- going concern basis;
- consistency of accounting methods from one year to the next;
- accrual basis;
- and in accordance with general guidelines for the preparation and presentation of annual financial statements.

No change has been made in accounting policies during the periods under review.

Research and Development expenses

All research expenses are charged to the income statement in the year they are incurred.

Project development costs may be capitalised if all of the following can be demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the manner in which the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

No software development expenses have been recognised under intangible assets, as all of the conditions described above have not been met.

Software acquired

Software acquired corresponds mainly to the transfer made by the Sopra Group in 2001 and to the acquisition of the intellectual property relating to the software of Cyclone and Tumbleweed from Axway Inc. in 2010 and 2011 and the LiveDashboard software from Access UK in 2012.

The software transferred by the Sopra Group was recognised at the net carrying amount recorded in the financial statements of the Sopra Group at 31 December 2000. It is amortised on a straight-line basis over three, five or ten years.

The Cyclone and Tumbleweed software was recognised at the purchase cost, which was calculated by an independent expert in the USA. Amortisation for the Cyclone software is over six years for accounting purposes and one year for tax purposes. The Tumbleweed software is amortised over 12 years.

The LiveDashboard software is amortised over 8 years.

Business goodwill

The business goodwill comes from the partial contribution of assets from the EAI (Enterprise Application Integration) division.

Business goodwill is not amortised systematically, but if appropriate, a provision may be set aside for impairment. Amortisation applied prior to 1 January 2001 in the financial statements of the Sopra Group has been retained in the balance sheet.

The Company conducts impairment tests on its business goodwill each time that there is an indication of an impairment loss. It writes down the value of an asset if its current value (either the market value or the economic value, whichever is highest) is less than its carrying amount.

Property, plant and equipment

Property, plant and equipment are stated in the balance sheet at their acquisition cost or the pre-transfer carrying amount.

Depreciation is based on the straight-line method according to the useful economic lives of each non-current asset category as follows:

Fixtures and fittings	Ten years
Equipment and tooling	Three to five years
Furniture and office equipment	Five to ten years

Equity investments

On initial recognition, equity investments are recognised at their acquisition or subscription price.

The carrying amount of equity investments corresponds to their value in use.

Impairment is recognised if the value in use of equity investments, which includes the net assets of subsidiaries (see paragraph 2.1.) and an analysis of the growth and profitability projections, is lower than the carrying amount in the financial statements. The analysis of growth projections may involve the discounting of future cash flows. In this case, cash flows are determined on the basis of available data and five-year forecasts. A growth rate in perpetuity of 2.5% is applied from the start of the sixth year. The cash flows resulting from these forecasts are then discounted using a discount rate of 10%.

Revenue

Services provided within the scope of the Group's software operations include:

- the right of use under licence of the software and solutions provided;
- maintenance;
- ancillary services: installation, configuration, adaptation, training, etc.

a. In general, separate contracts are concluded with clients for licences and maintenance on the one hand and ancillary services on the other hand

In this situation, the various elements comprising contracts are accounted for as follows:

- the licence fee is recognised when delivery takes place, which is reputed to be the case when all contractual obligations have been fulfilled, *i.e.* when any remaining services to be provided are insignificant and not liable to endanger the client's acceptance of goods supplied or services rendered;
- maintenance is generally billed in advance and is recognised on a time basis;
- ancillary services are generally provided on the basis of time spent and are recognised when performed, *i.e.* in general when invoiced (see paragraph d. below). Ancillary services are sometimes performed within the scope of fixed-price contracts in which case they are then recognised using the percentage of completion method described in paragraph e below.

b. Sometimes, contracts comprising multiple elements (licence, maintenance, ancillary services, etc.) may be negotiated on a fixed-price basis

In this situation, the amount of revenue attributable to the licence is obtained by the difference between the total contract amount and the fair value of its other components, *i.e.* maintenance and ancillary services. The fair value of the other components is determined when possible on the basis of the list prices applying in the case of a separate sale or alternatively, on the basis of management's best estimate. The residual amount attributed to the licence is recognised at the time of delivery.

c. In fairly rare instances, ancillary services may be considered essential to the operation of a software package

This may be the case for very complex projects, the completion of which may be subject to particular risks. The project is then examined as a whole and is the focus of specific monitoring. They are accounted for using the percentage of completion method described in paragraph e below.

d. Technical assistance, consulting, training and projects provided on an ongoing contract basis

These services are recognised when performed, *i.e.* in general at the time of invoicing.

Operations are reviewed at each balance sheet date:

- services already performed but not yet, or only partially, invoiced are measured on the basis of billable time and the contractual billing rates. They are recognised as revenue and are included in the balance sheet under the *Accrued income* item *Trade receivables*;

- services already billed but not yet entirely performed are deducted from invoiced revenue and included in the *balance sheet* under the *Other liabilities* item *Deferred income*.

e. Services covered by fixed-price contracts

Under such contracts the Group commits itself to a price, a result and a deadline. Revenue and profit generated by a contract are recognised on the basis of a technical assessment, in line with the Group's quality procedures, of the contract's degree of completion.

Trade receivables

Trade receivables are recognised using the methods specified above.

A separate estimate is carried out for each trade receivable at the end of the financial year and impairment is recognised in the event of a risk of non-recovery linked to collective proceedings.

Doubtful debts for which legal proceedings have not been instigated are treated as accrued credit notes.

Retirement benefits

Since 2004, Axway Software has provided for its retirement commitments in accordance with the provisions of the Syntec collective bargaining agreement regarding retirement and pensions.

Axway Software's obligation towards its employees is determined on an actuarial basis, using the projected credit method: the employer's discounted obligation is recognised in proportion to the probable length of service of the employees, taking into account actuarial assumptions such as the level of future salary, life expectancy and employee turnover. Changes in actuarial assumptions that affect the valuation of the obligation are recognised as actuarial gains and losses. Axway Software uses the corridor method.

2 Notes to the balance sheet

2.1 Non-current assets

Intangible assets

(in thousands of euros)	Concessions, patents, similar rights	Business goodwill	Total
GROSS VALUE			
At 1 January 2013	**40,391**	**6,609**	**47,000**
Acquisitions	501	-	501
Disposals	-	-	-
At 31 December 2013	**40,891**	**6,609**	**47,500**
DEPRECIATION			
At 1 January 2013	**18,125**	**35**	**18,160**
Provisions	4,013	-	4,013
Reversals	-	-	-
At 31 December 2013	**22,138**	**35**	**22,173**
NET VALUE			
At 1 January 2013	**22,266**	**6,574**	**28,839**
At 31 December 2013	**18,753**	**6,574**	**25,327**

Intangible assets mainly comprise software and business goodwill transferred by the Sopra Group in 2001 and acquired from Axway Inc. in 2010 and 2011 and from Access UK in 2012.

Software development costs, which totalled €18.466 million in 2013, are recorded as expenses (see Note 1.2).

Property, plant and equipment

(in thousands of euros)	Technical installations	Fittings and installations	Furniture and office equipment	Total
GROSS VALUE				
At 1 January 2013	**3,853**	**1,662**	**409**	**5,923**
Acquisitions	958	209	3	1,170
Disposals	-	-	-	-
At 31 December 2013	**4,811**	**1,871**	**412**	**7,094**
DEPRECIATION				
At 1 January 2013	**1,855**	**128**	**28**	**2,011**
Provisions	1,073	257	53	1,384
Reversals	-	-	-	-
At 31 December 2013	**2,928**	**386**	**81**	**3,395**
NET VALUE				
At 1 January 2013	**1,998**	**1,534**	**381**	**3,912**
At 31 December 2013	**1,883**	**1,485**	**331**	**3,699**

Sopra Group has made available to Axway Software fully equipped offices, chiefly at the Annecy-le-Vieux and Puteaux 2 sites.

Purchases of technical installations consist solely of IT equipment.

The acquisitions under fittings and installations correspond to work carried out on the Puteaux 3 site.

Financial investments

(in thousands of euros)	Equity investments	Receivables related to equity investments	Loans and other financial investments	Total
GROSS VALUE				
At 1 January 2013	**212,017**	**327**	**822**	**213,166**
Acquisitions/increase	291	1,716	210	2,217
Disposals/decrease	-	-236	-	-236
At 31 December 2013	**212,308**	**1,807**	**1,031**	**215,146**
IMPAIRMENT				
At 1 January 2013	**31,100**	**0**	**17**	**31,117**
Provisions	55	7	-	61
Reversals	-	-	-17	-17
At 31 December 2013	**31,155**	**7**	**0**	**31,161**
NET VALUE				
At 1 January 2013	**180,917**	**327**	**805**	**182,049**
At 31 December 2013	**181,153**	**1,800**	**1,031**	**183,985**

Details concerning equity investments are provided in the “Subsidiaries and associated entities” tables presented in Note 4.7.

a. Gross amounts

In 2013, the increase in securities resulted from the acquisition of Vordel Ltd.

The increase in receivables relating to equity investments corresponded chiefly to the creation of an Axway do Brasil current account (€1,371 thousand) and the increase in Axway Pte’s current account (€341 thousand). The decrease concerned the change in the current accounts of Axway SDN BHD (€116 thousand) and Axway Ltd (€51 thousand).

The increase in "Loans and other financial investments" was due to the change in the liquidity contract with Kepler for market making in Axway shares.

b. Impairment

The provision for impairment of investments involved Axway SAS (€37 thousand) and Axway Distribution France (€18 thousand).

2.2 Other assets

Trade receivables

(in thousands of euros)	2013	2012
Non-Group clients	20,818	22,804
Accrued income	17,000	21,200
Group clients	3,811	3,103
Doubtful debtors	36	30
Provision for doubtful debtors	-30	-25
TOTAL	**41,635**	**47,111**

Trade receivables are recognised as assets and are stated net of all client-related debit and credit balances.

Impairments concerned *Doubtful debtors*.

Other receivables, prepayments and accrued income

(in thousands of euros)	2013	2012
Corporate income tax	15,567	8,763
Tax at source	170	250
VAT	350	377
Other receivables	654	425
Prepaid expenses	922	876
Translation differential – Assets	159	241
TOTAL	**17,823**	**10,932**

Impairment of current assets

(in thousands of euros)	Amount at start of year	Provisions	Reversals	Amount at end of year
Impairment of trade receivables	25	6	1	30
TOTAL	**25**	**6**	**1**	**30**

2.3 Equity

Share capital

At 31 December 2013, the share capital of Axway Software totalled €40,930,354. It comprised 20,465,177 shares, each with a nominal value of €2.

The Company held 28,655 treasury shares.

Changes in shareholders' equity

(in thousands of euros)	Share capital	Issue premiums	Legal reserve	Discretionary reserves	Net profit for the year	Tax-driven provisions	Carried forward	Total
Position at 1 January 2013	**40,642**	**99,324**	**2,018**	**5,196**	**15,083**	**8,602**	**12**	**170,878**
Appropriation of earnings 2012	-	-	755	7,228	-15,083	-	-1	-7,101
Amortisation of intellectual property	-	-	-	-	-	-2,461	-	-2,461
Option exercise	288	1,919	-	-	-	-	-	2,207
Profit for the year	-	-	-	-	13,492	-	-	13,492
Position at 31 December 2013	**40,930**	**101,243**	**2,773**	**12,425**	**13,492**	**6,141**	**12**	**177,016**

The total amount of dividends paid in 2013 was €7.1 million.

In 2013, options were exercised and resulted in the creation of 144,139 shares (of which 144,094 for the exercise of stock-options and 90 for bonus share issue options). An issue premium was recognised for €1.919 million.

Tax-driven provisions corresponded to the amortisation over six years of Cyclone software for accounting purposes (€2.461 million in 2013).

Share subscription option plans

Grant date	Initial position: Number of options	Initial position: Exercise price	Option exercise period: Start date	Option exercise period: Expiry date	Position at 1 January: Number of options	Position at 1 January: Exercise price	Changes in the period, number of options: awarded	Changes in the period, number of options: cancelled	Changes in the period, number of options: exercised	Position at 31/12/2013: Number of options	Position at 31/12/2013: Exercise price
PLAN No. 1 – 2007 stock option plan, maximum issue of 1,990,000 shares General Meeting of 23/05/2007											
22/11/07	17,000	€93.54	30/06/10	31/12/13	63,571	€14.34	-	-	-63,571	-	€14.34
22/11/07	17,000	€93.54	30/12/12	31/12/13	29,667	€14.34	-	-	-29,667	-	€14.34
06/11/08	8,500	€145.00	30/06/11	31/12/14	46,619	€17.11	-	-	-33,904	12,715	€17.11
06/11/08	8,500	€145.00	30/12/13	31/12/14	46,619	€17.11	-		-	46,619	€17.11
TOTAL	**79,100**				**186,476**		**-**	**-**	**-127,142**	**59,334**	
PLAN No. 2 – 2010 stock option plan, maximum issue of 1,990,000 shares General Meeting of 25/11/2010											
25/11/10	5,000	€145.00	30/06/12	31/12/15	16,952	€17.11	-	-	-16,952	-	€17.11
TOTAL	**10,000**				**16,952**		**-**	**-**	**-16,952**	**-**	
PLAN No. 3 - 2011 stock option plan, maximum issue of 1,033,111,shares (increased by way of an amendment to 1,295,611) General Meeting of 28/04/2011											
18/11/11	516,175	€14.90	18/05/14	18/11/19	473,350	€14.90	-	-23,050	-	450,300	€14.90
18/11/11	516,175	€14.90	18/11/16	18/11/19	473,350	€14.90	-	-23,050	-	450,300	€14.90
28/03/13	131,250	€15.90	28/09/15	28/03/21	-	€15.90	131,250	-11,500	-	119,750	€15.90
28/03/13	131,250	€15.90	28/03/18	28/03/21	-	€15.90	131,250	-11,500	-	119,750	€15.90
TOTAL	**1,294,850**				**946,700**		**262,500**	**-69,100**	**-**	**1,140,100**	
TOTAL OF PLANS	**1,383,950**				**1,150,128**		**262,500**	**-69,100**	**-144,094**	**1,199,434**	

- 144,094 share subscription options were exercised in 2013.
- 69,100 share subscription options were cancelled in 2013 following the departure of the holders.
- No options were allocated under Plan No. 1.
- The fair values of the share subscription options allocated under Plan No. 1 and Plan No. 2 were determined using the binominal model recommended by IFRS 2.
- The fair value of the share subscription options allocated under Plan No. 3 was determined using the same binomial model and the following assumptions: average expected life of 4.5 and 6 years; expected volatility of 29.44%; dividend yield of 1.39% and risk-free interest rate of 2.48%. Expected volatility was determined on the basis of the volatility expected for stocks in comparable sectors.
- The average closing share price in 2013 was €18.20.

2.4 Provisions for contingencies and losses

(in thousands of euros)	Amount at start of year	Provisions	Reversals (used provisions)	Reversals (unused provisions)	Amount at end of year
Provisions for disputes	170	226	66	21	310
Provisions for foreign exchange losses	241	159	-	241	159
Provisions for retirement benefits	4,100	677	-	-	4,777
Provisions for risks - customers	468	-	385	83	-
Provisions for tax	0	1,298	-	-	1,298
TOTAL	**4,979**	**2,361**	**451**	**345**	**6,544**

Provisions were recorded chiefly in relation to financial risks arising from retirement benefit commitments, exchange rate losses and litigation related to the tax audit.

The total commitment for retirement benefits amounted to €5.826 million. The cumulative amount of unrealised actuarial differences on the balance sheet at year-end 2013 was €1.049 million (see Note 1.2).

Assumptions relating to procedures for departures take into account changes in legislation in order to reflect the Group's best estimates at the balance sheet date:

- the Social Security Financing Act for 2008 introduced a contribution to be paid by the employer as part of the benefits due to an employee whose retirement is at the request of the employer. This contribution amounts to 50% and applies irrespective of the age of the employee;
- with effect from 1 January 2009, an employer may no longer unilaterally require employees to retire unless they have reached the age of 70. For employees between the ages of 65 and 70, the employer may not make any retirement decisions of its own accord before asking the employees whether or not they would like to retire voluntarily.

These successive changes are considered by the Group as changes in actuarial assumptions for the following reasons:

- the changes introduced by the new legal provisions do not have a direct impact on the gross amount received by employees;
- the agreements in force at the date of entry into application of the Act have not been amended: benefits awarded to employees may change at a later date once a new agreement has been concluded;
- the abandonment of an existing departure procedure and the introduction of a new contribution to the benefits paid in the event of retirement at the request of the employer entail the adjustment by the Group of its actuarial assumptions as defined under IAS 19.

Other assumptions such as turn-over, mortality and discount rate are updated regularly to refine the calculation of retirement commitments.

2.5 Liabilities

Financial debt

(in thousands of euros)	Amount at start of year	Provisions	Reversals (used provisions)	Amount at end of year
Syndicated facility	40,000	-	4,400	35,600
Employee profit sharing fund	2,412	1,215	891	2,737
Payables related to equity investments	32,668	6,541	12,142	27,068
Accrued interest on financial debt	33	29	33	29
TOTAL	**75,113**	**7,785**	**17,465**	**65,434**

Since 7 June 2011, Axway Software has had a multi-currency credit line of €100 million. This credit line is contracted with six banks, and comprises two tranches.

It was put in place in June 2011 with six partner banks, and is intended to finance acquisitions and the Group's general funding needs.

The first €50 million tranche, "credit line A", is a five-year, multi-currency term loan repayable semi-annually from 15 December 2013. It is intended to finance acquisitions.

The second €50 million tranche, "credit line B", is a five-year, multi-currency revolving loan, repayable semi-annually over the last two years of the loan term. It is intended to finance the Group's general funding needs, including investments and acquisitions.

The applicable interest rate is Euribor for the drawdown period concerned plus a spread adjusted every six months in relation to the change in the net debt/EBITDA ratio calculated on a 12-month rolling basis. The net debt figure used does not include employee profit-sharing liabilities. The spread may move within the range of 0.85% to 1.70% for drawdowns in euros and from 1.55% to 2.40% for drawdowns in GBP and USD. A non-use fee equivalent to 35% of the spread may also be applied.

Three financial ratios must be met under covenants entered into with partner banking establishments.

Payables related to equity investments concerned solely current accounts with the Group's companies.

Employee profit sharing funds include the special profit-sharing reserve managed by Axway Software in current accounts that are locked up for a certain period. An agreement struck in 2011 also enables employees to opt for external management in multi-company mutual funds.

Financial debt ratios were observed at 31 December 2013.

Trade payables

(in thousands of euros)	2013	2012
Trade payables and related accounts	1,590	1,743
Accrued expenses	9,516	8,121
Trade payables – Group	2,054	2,431
TOTAL	**13,159**	**12,295**

Tax and social charge payables

(in thousands of euros)	2013	2012
Employee costs and related payables	8,299	7,410
Social security	8,864	7,998
VAT	5,015	4,638
Other tax	280	808
TOTAL	**22,457**	**20,855**

Other liabilities, accruals and deferred income

(in thousands of euros)	2013	2012
Client deposits	755	625
Liabilities in respect of non-current assets	182	73
Group and associates	750	750
Other liabilities	-	-
Deferred income	3,850	2,863
Translation differential – Liabilities	1,075	890
TOTAL	**6,613**	**5,202**

Deferred income comprises the portion of billings issued in advance on fixed-price and maintenance contracts.

3 Notes to the income statement

3.1 Revenue

Revenue breaks down as follows by business:

(in thousands of euros)	2013	2012
Licences	29.4%	28.5%
Support and maintenance	51.1%	50.7%
Integration and training services	19.5%	20.8%
REVENUE	**100.0%**	**100.0%**

Of the €141 million in revenue generated in 2013, €62 million derived from international operations.

3.2 Compensation allocated to the members of governing and management bodies

Directors' fees totalling €250 thousand were paid in April 2013.

Compensation paid in 2013 to governing and management bodies was €431 thousand.

3.3 Financial items

(in thousands of euros)	2013	2012
Dividends received from equity investments	6,107	6,395
Interest on bank borrowings and similar charges	-599	-337
Interest on employee profit sharing	-177	-156
Discounting of retirement benefits (provision)	-160	-201
Losses on receivables from equity investments	-897	-578
Interest received and paid on Group current accounts	-212	-513
Positive and negative foreign exchange impact (including provisions)	-173	50
Other allocations to and reversals of financial provisions	-46	826
Other financial income and expense	117	274
FINANCIAL ITEMS	**3,959**	**5,760**

The detail of dividends received is listed in the table of subsidiaries and associated entities (see Note 4.7).

3.4 Exceptional items

In 2013, exceptional items of €2.623 million concerned chiefly:

- valuation of treasury shares (€0.202 million);
- additional amortisation of the Cyclone intellectual property, in the amount of €2.461 million.

3.5 Employee profit sharing

Employee profit sharing, in an amount of €0.986 million, was determined under the conditions laid down by law.

3.6 Corporate income tax

Research tax credits

Axway Software received research tax credits for 2013 of €7.132 million.

Breakdown of tax between recurring and exceptional operations

(in thousands of euros)	2013	2012
Tax on recurring operations	-45	1,496
Tax on exceptional items	916	1,353
Additional contribution	213	
Provisions for tax reassessment	716	582
Research tax credits	-7,132	-5,988
Other tax credits	-1	
TOTAL CORPORATE INCOME TAX	**-5,332**	**-2,557**

Deferred and latent tax position

	Basis					
	Start of the year		Change		End of the year	
(in thousands of euros)	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
I. Certain or potential discrepancies						
Tax-driven provisions	--	--	--	--	--	--
Investment grants	--	--	--	--	--	--
Temporary non-deductible expenses						
• To be deducted the following year						
• employee profit sharing	1,070	-	-	-85	986	-
• Organic	200	-	25	-	226	-
• construction work	163	-	8	-	172	-
• To be deducted thereafter						
• provision for retirement commitments	4,100	-	677	-	4,777	-
• other	-	-	-	-	-	-
Temporary non-taxable income						
• net short-term capital gains	-	-	-	-	-	-
• capital gains on mergers	-	-	-	-	-	-
• long-term deferred capital gains	-	-	-	-	-	-
• Translation differential – Liabilities		-890	-	-185		-1,075
Deducted expenses (or taxed income) for tax purposes that has not been recognised						
• deferred charges	-	-	-	-	-	-
Total	**5,534**	**-890**	**711**	**-270**	**6,160**	**-1,075**
II. Items to be offset						
Losses that may be carried forward for tax offset	-	-	-	-	-	-
Long-term capital losses	-	-	-	-	-	-
Other	-	-	-	-	-	-
III. Contingent tax items						
Capital gains on non-depreciable assets contributed on merger	-	762	-	-	-	762
Special reserve for long-term capital gains	-	-	-	-	-	-
Special reserve for construction profits	-	-	-	-	-	-
Other	-	-	-	-	-	-

4 Other information

4.1 Maturities of receivables and payables at the balance sheet date

Receivables

(in thousands of euros)	Gross amount	Within one year	One to five years
Non-current assets			
Receivables related to equity investments	1,800	1,800	-
Other non-current financial assets	1,031	1,031	-
Current assets			
Doubtful debts or disputes	36	-	36
Other trade receivables	41,629	41,629	-
Employee costs and related payables	42	42	-
Social security	-	-	-
VAT	350	350	-
Tax credit	15,567	2,447	13,120
Other tax	170	170	-
Group and associates	-	-	-
Other receivables	612	612	-
Accruals and deferred income	1,081	1,031	50
TOTAL	**62,320**	**49,114**	**13,206**

Other financial investments mainly relate to the liquidity contract and treasury shares.

Liabilities

(in thousands of euros)	Gross amount	Within one year	One to five years
Bank debt			
• Two years maximum at origin	29	29	-
• More than two years maximum at origin	35,600	8,800	26,800
Other financial debt	2,737	470	2,267
Group and associates	27,068	27,068	-
Trade payables	13,159	13,159	-
Employee costs and related payables	8,299	7,313	986
Social security	8,864	8,864	-
State and public bodies	**-**	**-**	**-**
• Corporate income tax	-	-	-
• VAT	5,015	5,015	-
• Other tax	280	280	-
Liabilities in respect of non-current assets	932	932	-
Other liabilities	755	755	-
Accruals and deferred income	4,925	4,925	-
TOTAL	**107,663**	**77,610**	**30,053**

4.2 Information concerning related parties

(in thousands of euros)	Related parties
Assets	
Advances and payments on account for non-current assets	
Equity investments	181,153
Receivables related to equity investments	1,800
Loans	-
Trade receivables	17,706
Other receivables	-
Translation differential – Assets	159
Liabilities	
Convertible bonds	-
Other bonds	-
Bank debt	-
Other financial debt	-
Group and associates	27,068
Liabilities in respect of non-current assets	750
Trade payables	10,055
Other liabilities	-
Translation differential – Liabilities	1,075
Income statement	
Income from equity investments	6,107
Other financial income	6
Financial expense	219
Write-off of receivables (financial expense)	897
Provisions for impairment of equity investments (financial expense)	55
Provisions for impairment of trade receivables (financial expense)	-
Provisions for impairment of current accounts (financial expense)	7
Reversal of impairment of equity investments (financial income)	-
Reversal of impairment of trade receivables (financial income)	-
Reversal of impairment of current accounts (financial income)	-
Reversal of provisions for risks relating to subsidiaries (financial income)	-

4.3 Accrued income and expenses

(in thousands of euros)	
Accrued income	
Trade payables – Credit notes to be received	1
Trade receivables	17,401
Tax and social charge receivables	225
Other receivables	8
TOTAL	**17,635**
Accrued expenses	
Accrued interest	29
Trade payables	9,779
Trade receivables – Credit notes to be issued	401
Tax and social charge payables	10,865
Other liabilities	-
TOTAL	**21,073**

Tax and social charge receivables correspond to Tax Credit for Competitiveness and Employment recognised as a deduction from employee costs.

4.4 Workforce

The average workforce in 2013 comprised 626 employees, and the number of employees as at 31 December 2013 was 610.

4.5 Off-balance sheet commitments

(in thousands of euros)	
Discounted notes not yet due	None
Bank guarantees in place of security deposits for leased premises	266
Bank guarantees for effective project completion	76
Bank guarantees for guaranteeing payment of supplier invoices	None
Unfunded retirement commitments (actuarial differences)	1,049
Guarantees given to subsidiaries to guarantee tender bids	400
Guarantees given to subsidiaries to guarantee leases	None
Collateral, mortgages and sureties	None
Interest rate hedging instruments	see 4.30.3
Exchange rate hedging instruments	7,880

Individual training rights (DIF)

In 2013, 9,054 hours were acquired and 3,483 DIF hours were used.

At 31 December 2013, the cumulative balance of training that was not consumed amounted to 42,033 hours.

Bank guarantees

A bank guarantee of €225 thousand in place of a security deposit was arranged in 2012 when the Puteaux 1 lease was taken over.

In May 2013, a similar guarantee amounting to €41 thousand was arranged when setting-up the new Puteaux 3 site.

Bank guarantees for effective project completion stood at €76 thousand at 31 December 2013.

Retirement commitments

At the end of 2013, the unfunded part of the retirement commitment stood at €1.049 million.

Other guarantees

Axway Software stood surety for its subsidiary Axway Srl for an amount of €400 thousand to enable it to tender for bids to the Italian post office.

Guarantee for liabilities

Following the acquisition of Vordel in November 2012, the Company benefited from an 18-month liability guarantee granted by the seller.

Exchange rate hedging instruments

Axway put in place two USD/EUR exchange rate swap contracts each for an amount of €3.94 million (*i.e.* $5 million each): the first one with LCL and the second one with Natixis. Both contracts expire in March 2014. On expiry, Axway recovered the amount of $10 million to which was added the financial income resulting from the placement.

4.6 Exceptional events and legal disputes

To the Company's knowledge, there are no exceptional events or legal disputes that may impact on its financial position, business or results.

4.7 List of subsidiaries and associated entities

Company *(in euros)*	Share capital	Other shareholders' equity	% of capital held	Carrying amount of securities Gross	Carrying amount of securities Net	Loans and advances granted by the Company and not yet repaid	Latest financial year revenue excl. VAT	Latest financial year profit or loss	Dividends received by the Company during the financial year	Observations
Subsidiaries										
Axway UK Ltd (United Kingdom)	119,947	41,052	100.0%	148,270	148,270	-	10,769,104	524,956	864,688	
Axway GmbH (Germany)	425,000	10,638,703	100.0%	23,038,194	11,038,194	-	24,839,060	1,431,585	1,200,000	
Axway Srl (Italy)	98,040	-860	100.0%	98,127	98,127	-	3,716,640	39,376	-	
Axway Software Iberia (Spain)	1,000,000	208,917	100.0%	1,000,000	1,000,000	-	4,385,139	201,735	500,000	
Axway Nordic (Sweden)	11,288	922,772	100.0%	20,706,081	1,606,081	-	4,976,565	164,510	-	
Axway Inc. (United States)	2	108,401,487	100.0%	120,266,278	120,266,278	-	115,772,798	18,295,659	-	
Axway B.V (Holland)	18,200	184,821	100.0%	200,000	200,000	-	4,147,690	207,735	800,000	
Axway Belgium (Belgium)	1,000,000	136,749	99.9%	999,000	999,000	-	6,993,920	350,278	270,000	
Axway Romania Srl (Romania)	11,740	1,934,860	100.0%	1,972,250	1,972,250	-	8,663,852	1,006,718	1,449,571	
Axway SAS (France)	37,000	-9,838	100.0%	37,000	-	-	-	-1,920	-	
Axway Pte Ltd (Singapore)	114,850	430,891	100.0%	1	1	287,984	3,191,583	15,749	-	
Axway Ltd (Hong Kong)	9,352	81,382	100.0%	1	1	120,159	1,253,215	162,296	-	
Axway Pty Ltd (Australia)	64,838	-55,230	100.0%	1	1	-	2,695,902	124,277	-	
Axway Software China (China)	1,360,424	-1,200,310	100.0%	1	1	-	909,879	-5,683	-	
Axway Software SDN BHD (Malaysia)	55,285	-123,187	100.0%	1	-	34,566	40,848	71,546	-	
Axway Bulgaria EOOD (Bulgaria)	2,556	1,152,109	100.0%	979,846	979,846	-	6,896,377	1,088,927	1,022,584	
Axway Distribution France (France)	1,000	9,054	100.0%	17,800	-	6,500	-	-1,375	-	
Vordel Ltd (Ireland)	141,815	9,188,070	100.0%	42,841,900	42,841,900	-	7,386,840	2,152,501	-	
Axway Software Do Brasil (Brazil)	3,070	€533	99.9%	3,255	3,255	1,357,754	1,012,381	-9,788	-	

STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS

To the shareholders,

In accordance with our appointment as Statutory Auditors by your General Meetings, we hereby report to you for the year ended 31 December 2013 on:

- the audit of the accompanying separate financial statements of Axway Software enclosed to this report;
- the justification of our assessments; and
- specific procedures and disclosures required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the annual financial statements

We performed our audit in accordance with generally accepted French auditing standards. These standards require that we perform our audit in such a way as to obtain reasonable assurance that the annual financial statements are free from material misstatement. An audit involves the verification, on a test basis or through the use of any other selection methods, of the evidence supporting the amounts and disclosures included in the annual financial statements. An audit also includes an assessment of the accounting policies used and significant estimates made by the management, as well as an evaluation of the overall presentation of the financial statements. We believe that the evidence we have been able to gather provides a sufficient and appropriate basis to express our audit opinion.

In our opinion, the financial statements give a true and fair view of the state of the financial position and the assets and liabilities of the Company and of the results of operations for the year then ended, in accordance with French accounting regulations.

II. Justification of assessments

In accordance with Article L. 823-9 of the French Commercial Code governing the justification of our assessments, we hereby report on the following matters:

- the assets of the company Axway Software mainly consist of equity investments, for which the accounting policies are described in Note 1.2. Our work involved assessing the criteria used to estimate the carrying amount of these investments. In the context of our assessments, we verified the rationale for the approach adopted as well as the consistency of all of the hypotheses used and the resulting valuations;
- the Company allocates a provision for its retirement benefit commitments towards its employees based on the projected credit unit method, as indicated in Notes 1.2 and 2.4. In the course of our assessments, we examined the data used, we assessed the actuarial assumptions retained, verified the overall consistency of these assumptions and the resulting measurements.

The assessments made in this way form part of our audit approach with respect to the annual financial statements, taken together, and therefore contributed to the formation of our opinion, as expressed in the first section of this report.

III. Specific procedures and disclosures

We also performed the other procedures required by law in accordance with professional standards applicable in France.

We have no matters to report as to the fair presentation and consistency with the financial statements of the information provided in the management report of the Board of Directors and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information provided in accordance with the provisions of Article L. 225-102-1 of the French Commercial Code on compensation and benefits in kind paid to company officers as well as commitments granted in their favour, we have verified its consistency with the financial statements or with the data used to prepare these financial statements, and, as applicable, with the information collected by your Company from companies controlling or controlled by it. On the basis of this work, we certify the accuracy and truthfulness of this information.

Pursuant to the law, we have verified that the management report contains the applicable disclosures as to the owners of shares.

Courbevoie and Paris, 22 April 2014

The Statutory Auditors

Mazars

represented by
Christine Dubus

Auditeurs & Conseils Associés

represented by
François Mahé

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COMBINED GENERAL MEETING OF 4 JUNE 2014

6

EXPLANATORY STATEMENT

Dear Shareholders,

You are invited to attend the Combined General Meeting of 4 June 2014, at which we will present to you the parent company and consolidated financial statements for the year ended 31 December 2013 and submit a number of resolutions for your approval, the content of which is described below.

In connection with the approval of the parent company and consolidated financial statements for the year ended 31 December 2013, we present to you the annual Management report, which is included in the Registration Document filed with the AMF.

This Board of Directors' report is intended to explain the content of the resolutions submitted for your approval and to inform you of the way in which the Board of Directors recommends that you vote.

1. 1st to 4th resolutions

In light of the Statutory Auditors' report and the Board of Directors' Management report, we recommend that you:

- approve the annual financial statements for the financial year ended 31 December 2013, which show a profit of €13,492,186.81, and approve the transactions reflected in those financial statements and summarized in those reports;
- give full discharge to the members of the Board of Directors, without reservation, for the performance of their duties for the financial year ended 31 December 2013;
- approve the consolidated financial statements for the year ended 31 December 2013, showing consolidated net profit – attributable to the Group – of €35,594,729 and the transactions reflected in those financial statements or summarized in those reports; and
- approve the appropriation of earnings and the proposed dividend per share. In that regard, we note that the total amount of dividends distributed may be adjusted upward if new shares are issued upon exercise of stock subscription options or if bonus shares are awarded.

2. 5th to 8th resolutions

Based on circumstances and its operational needs, the Company has entered into the following agreements with other companies in the Group, which are subject to Articles L. 225-38 *et seq.* of the French Commercial Code.

As a result, we recommend that you approve:

- the service provision agreement entered into between Axway Software and Sopra India Ltd (5th resolution);
- the write-off of receivables for the benefit of Axway Srl pursuant to Article L. 225-38 of the French Commercial Code. (6th resolution);
- the write-off of receivables for the benefit of Axway Software Sdn Bhnd (7th resolution);
- the conclusions of the special report of the Statutory Auditors on related-party agreements and commitments (8th resolution).

3. Determination of Directors' fees for the financial year in progress (9th resolution)

We propose setting at €262,500 the amount of directors' fees to be split between the members of the Board of Directors for the current financial year. In addition, we remind you that the amount of Directors' fees proposed for the financial year ending 31 December 2014 is identical to the amount allocated for the financial year ended 31 December 2013.

4. Appointment of a director (10th resolution)

Pierre-Yves COMMANAY is a Senior Manager in the Sopra Group, where he has been Head of international development since 2103. Previously, he carried out a number of different roles within the group, which he joined in 1995. He was notably Chief Executive Officer of the subsidiary Sopra Group UK from 2009 to 2012 and, prior to that, Industrial Director of Sopra Group India Pvt Ltd. Pierre-Yves COMMANAY has been a member of the Board of Directors of Syntec Numérique since 2013. He is a graduate of the University of Lyon (a DESS postgraduate diploma in Management) and the University of Savoie (Masters degree in Information Technology).

5. Appointment of an observer (11th resolution)

Yann METZ-PASQUIEr is co-founder of Upfluence (San Francisco – California), created in 2013. He was previously a Mergers & Acquisitions analyst with Moss Adams LLP in California. Yann METZ-PASQUIER has been a member of the Board of Directors of Sopra GMT since 2012. He is a Management graduate of the Catholic University of Lyon (ESDES), and is a level 1 et 2 Chartered Financial Analyst.

Director of Sopra GMT since 2012

Director/Chairman of Upfluence (US)

6. Renewal of Axway Software's authorisation to buy back its own shares (12th resolution)

The Combined General Meeting of 4 June 2013 authorized the Board of Directors, for a period of eighteen (18) months, to implement a Company share buyback program in accordance with the provisions of Article L. 225-209 of the French Commercial Code.

Pursuant to such authorization, the Company entered into a liquidity agreement with Kepler Capital Markets on 10 June 2012 for a term of twelve (12) months, renewable automatically. Under this agreement, Kepler Capital Markets conducts stock market trades on behalf of the Company in order to promote transaction liquidity and stabilize the shares, as well as to avoid changes in the stock price that are not justified by market trends.

We recommend that you renew this authorization and, as a result, that you authorize the Board of Directors, for a period of eighteen (18) months and with the power to sub-delegate in accordance with the law, to carry out one or more buybacks of the Company's shares, at a time or times of its choosing, in accordance with the provisions of Article L. 225-209 *et seq.* of the French Commercial Code and the provisions of the AMF General Regulations, of up to 10% of the number of shares making up the Company's share capital at the time of the buyback, or 5% of the number of shares making up the Company's share capital at the time of the buyback with respect to shares acquired by the Company for purposes of holding them for later use in payment or exchange in connection with a merger, spin-off or contribution transaction.

We remind you that in any event, share purchases carried out in this manner may not result in the Company holding more than 10% of the shares making up the Company's share capital on the date such purchases are made.

These buybacks may be carried out for any permitted purpose or purpose that would be permitted pursuant to applicable laws and regulations, and in particular in order to:

- cover stock option plans for the benefit of employees and corporate officers, or some of them, of the Company or Group;
- grant Company shares to corporate officers, employees and former employees, or to some of them, in respect of their participation in the expansion of the Group or in connection with a Company savings plan;
- grant bonus shares pursuant to Articles L. 225-197-1 *et seq.* of the French Commercial Code to employees and corporate officers, or some of them, of the Company or Group and more generally to carry out any distribution of Company shares to its corporate officers and employees;
- retain shares in the Company that are bought back for subsequent exchange or use as consideration in acquisitions, mergers, spin-offs and contribution in line with market practices permitted by the *Autorité des marchés financiers*;
- deliver shares in connection with the exercise of rights attached to securities giving access to the share capital, as well as to carry out all hedging transactions relating to the Company's obligations under these securities;
- engage in market making in the Company's shares through an investment services provider in connection with a liquidity contract that complies with the AMAFI Code of Ethics and with the AMF's permitted market practices;
- cancel some or all of the shares acquired in accordance with the authorization granted by the nineteenth resolution of the Combined General Meeting of 4 June 2013;

The maximum price for buying back shares in connection with the share buyback program would be set at €37 per share, excluding acquisition costs, or a maximum total amount of €75,721,119 that the Company may use for share purchases (excluding acquisition costs).

Buybacks may be carried out in one or more transactions, by any means authorized by applicable laws and regulations, on the market and/or off-market, on a multilateral trading facility, through a systematic internaliser, or over the counter, notably through block trades or acquisitions or through use of derivative financial instruments.

This authorization would be given for a period of eighteen (18) months and would end the current authorization, granted on 4 June 2013, for the portion not yet used.

7. Granting of double voting rights to shareholders holding shares in registered form for at least two (2) years, and related modification to the Articles of Association (13th resolution)

The Company has decided to grant double voting rights to shareholders who have held their shares in registered form for at least two (2) years, pursuant to Articles L. 225-123 and L. 225-124 of the French Commercial Code.

8. Authorization given to the Board of Directors to grant redeemable share warrants (BSAAR) to company officers or employees of the Company or its Group, without shareholder preferential subscription rights (14th resolution)

The authorization given to the Board of Directors to grant redeemable share warrants (BSAAR) to company officers or employees of the Company or its Group, without shareholder preferential subscription rights by the Combined General Meeting of 4 June 2013 is due to expire. Therefore, we recommend that you renew this authorization to grant redeemable share warrants (BSAAR) to company officers or employees of the Company or its Group (13th resolution). The BSAAR would give the right to subscribe for or purchase a maximum total number of shares representing 7% of the Company's share capital on the date of the Board of Directors' decision, it being specified that the amount of the capital increase resulting from the issuance of shares as a result of the subscription of the BSAAR would be deducted from the maximum limit in the twenty-ninth resolution adopted by the Combined General Meeting of 4 June 2013. This delegation would be granted for a period of eighteen (18) months

9. Authorization granted to the Board of Directors to allocate bonus shares, whether existing or to be issued, to qualifying company officers or employees of the Axway Group (15th resolution).

The Company would like to put in place an incentive program for eligible employees or officers of the Group who are considered key to the success and future development of the Group. The Company believes that it is necessary to incentivize eligible employees or corporate officers of the Axway Group by putting in place this type of plan. The total number of bonus shares that may be granted may not represent more than 4% of the Company's share capital as of the date of the Board of Directors' decision to grant said shares, not counting shares to be issued, if any, as a result of adjustments made in order to preserve the rights of the beneficiaries of the bonus share grants. This delegation would be granted for a period of thirty-eight (38) months.

In addition, we note that the Company approved the twenty-seventh resolution at the Combined General Meeting of 4 June 2013, giving it the ability to increase the share capital one or more occasions through the issuance of ordinary shares of the Company reserved for employees who are members of a company savings plan. The maximum amount of the capital increases that may be carried out pursuant to this authorization is set at 3% of the share capital, it being specified that this amount is separate and distinct from the limits to capital increases resulting from the issuance of ordinary shares or securities giving access to the share capital that are the subject of other resolutions approved at the Combined General Meeting of 4 June 2013.

10. Authorisation granted to the Board of Directors to award stock options to qualifying Company officers and employees of the Axway Group (16th resolution)

The Company would like to adjust the incentive scheme for Group company officers and/or employees by favouring the allocation of bonus shares rather than granting stock options, while at the same time limiting its potential dilutive effect in the event of a modification in the Company's financial structure.

We consequently recommend that you approve the reduction in the ceiling of the authorisation granted to the Board of Directors by the General Meeting of 4 June 2013 (29th resolution) to award stock options to qualifying Group company officers and employees to 1% (instead of 7% previously). This new resolution would deprive of effect, from its adoption, the 29th resolution previously adopted for future use, without however affecting stock options granted on the basis of said 29th resolution.

This new resolution would be valid for a period of thirty-eight (38) months from its approval.

11. Powers for formalities (17th resolution)

We recommend that you give all powers to the bearer of an original, a copy or an extract of the minutes of the decisions of the Combined General Meeting of 4 June 2014 to carry out the required formalities following this Meeting.

We believe that the resolutions submitted for your vote are in the interest of your Company and favour the development of the Group's activities.

AGENDA

Ordinary General Meeting

- Approval of the parent company financial statements – discharge of members.
- Discharge of members.
- Approval of the consolidated financial statements.
- Appropriation of earnings.
- Approval of the service agreement entered into between Axway Software and Sopra India Ltd, pursuant to Articles L. 225-38 *et seq.* of the French Commercial Code.
- Approval of the write-off of receivables for the benefit of Axway Srl pursuant to Articles L. 225-38 *et seq.* of the French Commercial Code.
- Approval of the write-off of receivables for the benefit of Software Sdn Bhnd, pursuant to Articles L. 225-38 *et seq.* of the French Commercial Code.
- Approval of the conclusions of the special report of the Statutory Auditors on related-party agreements and commitments.
- Determination of the Directors' fees for the 2014 financial year.
- Appointment of a new Director.
- Appointment of an observer pursuant to Article 23 of the Company's Articles of Association.
- Authorisation to be given to the Board of Directors to buy shares of Axway Software pursuant to Articles L. 225-209 *et seq.* of the French Commercial Code.

Extraordinary General Meeting

- Granting of double voting rights - related modification of the Articles of Association.
- Authorisation given to the Board of Directors to grant redeemable share warrants (BSAAR) to company officers or employees of the Company or its Group, without shareholder preferential subscription rights.
- Authorisation granted to the Board of Directors to grant bonus shares, whether existing or to be issued, to qualifying company officers or employees of the Axway Group.
- Authorisation granted to the Board of Directors to award stock options to qualifying Axway Group company officers and employees
- Necessary powers granted to carry out formalities.

PROPOSED RESOLUTIONS

Resolutions presented for the approval of the Ordinary General Meeting

First resolution

Approval of the parent company financial statements

The General Meeting, having fulfilled the *quorum* and majority requirements for Ordinary General Meetings, and having reviewed the Management report of the Board of Directors, and the report of the Statutory Auditors, approves the parent company financial statements for the financial year ended 31 December 2013, showing a profit of €13,492,186.81. It also approves the transactions reflected in those financial statements and summarised in those reports.

It accordingly gives the members of the Board of Directors full and unconditional discharge from their duties for the aforementioned financial year.

The General Meeting also approves the non-tax deductible expenses and charges referred to in Article 39-4 of the French Tax Code, amounting to €55,806 and the corresponding tax expense of €18,602.

Second resolution

Discharge of members

The General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, gives the members of the Board of Directors full and unconditional discharge from their duties for the financial year ended 31 December 2013.

Third resolution

Approval of the consolidated financial statements

The General Meeting, having fulfilled the *quorum* and majority requirements for Ordinary General Meetings, and having reviewed the management report of the Board of Directors and the report of the Statutory Auditors, approves the consolidated financial statements at 31 December 2013 showing a consolidated net profit – attributable to equity holders of the parent – of €35,594,729. It also approves the transactions reflected in those financial statements and summarised in the report on Group management included in the Board of Directors' Management report.

Fourth resolution

Appropriation of earnings

The General Meeting, having fulfilled the *quorum* and majority requirements for Ordinary General Meetings, notes that the distributable earnings of Axway Software, determined as follows, amount to €13,492,186.81:

Profit for the year	€13,492,186.81
Retained earnings: dividends not paid on treasury shares	€11,700.50
TOTAL	**€13,503,887.31**

At the proposal of the Board of Directors, it resolves to allocate the distributable earnings as follows:

Legal reserve	€675,194.37
Dividend	€8,186,070.80
Discretionary reserves	€4,642,622.14
TOTAL	**€13,503,887.31**

The legal reserve will thus amount to €3,447,865.37, or 8.4% of the share capital.

The dividend per share is calculated on the basis of the number of shares making up the share capital as of 31 December 2013, which is 20,465,177 shares, and amounts to €0.40. The dividend per share shall be adjusted in accordance with the following:

- the number of shares issued between 1 January 2014 and the ex-coupon date following the exercise of stock subscription options and/or the definitive acquisition of new bonus shares granted and giving a right to the dividend; and
- the definitive number of shares eligible for the dividend on the ex-coupon date.

The amount of the adjustment shall be deducted from the amount carried forward and determined on the basis of dividends actually processed for payment.

It shall be processed for payment beginning on 13 June 2014.

In accordance with applicable tax rules (Article 158-3-2 of the French General Tax Code) with respect to the calculation of income tax, this dividend gives the right, for shareholders who are natural persons and French residents for tax purposes, to a 40% tax deduction.

Furthermore, for these shareholders who are natural persons resident in France for tax purposes, this dividend will cumulatively have to give rise (excluding shares held in a company savings plan):

- to withholding tax at source of 21%, which does not discharge the taxpayer from its obligation to pay income tax on the gross dividend (Article 117 quater of the French General Tax Code), but rather is an advance payment of 2014 income tax due in 2015. This withholding tax does not apply to shareholders whose reference tax income (income in 2012) is less than €50,000 (for single, divorced or widowed taxpayers) or €75,000 (for taxpayers filing jointly), as long as such shareholders have sent the paying institution a written declaration on their honour requesting an exemption and confirming that their taxable reference income satisfies these conditions, by 30 November 2013 at the latest. However, taxpayers who buy or subscribe for shares after such date from a paying institution of which they were not clients or with which they did not hold a securities account may submit this request for exemption at the time of purchase or subscription of the shares;
- to social security contributions of 15.5% (including deductible general social contribution of 5.1%), also withheld at the source.

The shares held by the Company on the date of the Meeting shall not be entitled to a dividend and the corresponding dividend will be allocated to “retained earnings” upon payment.

The amount of dividends distributed over the three prior financial years is indicated below, along with the amount of earnings distributed over those financial years that was eligible for the deduction provided for under Article 158-3-2 of the French Tax Code and the corresponding amount of distributed earnings not eligible for said deduction:

	Distributed earnings eligible for the deduction under Article 158-3-2 of the French Tax Code		
FY	**Dividend per share**	**Other distributed earnings per share** *(in euros)*	**Distributed earnings not eligible for the deduction** *(in euros)*
2012	0.35	0	0
2011	0.25	0	0
2010	3.98	6.97	0

Fifth resolution

(The service agreement entered into between Sopra India Ltd. and Axway Software relates to the provision of global services by Sopra India Ltd to Axway Software for specific needs of Axway Group clients in areas in which the Group does not have all of the skills required to carry out such services.)

Approval of the service agreement entered into between Axway Software and Sopra India Ltd., pursuant to Articles L. 225-38 *et seq.* of the French Commercial Code

The General Meeting, having fulfilled the *quorum* and majority requirements for Ordinary General Meetings and after reviewing the special report of the Statutory Auditors on agreements regulated by Articles L. 225-38 *et seq.* of the French Commercial Code, approves the service agreement with Sopra India Ltd, mentioned in the special report of the Statutory Auditors, as well as the related conclusions of said report.

Sixth resolution

(The Company wished to avoid the difficulties relating to particular circumstances encountered this year by its Italian subsidiary becoming detrimental to the latter or to the Group in light of the commercial opportunities generated by the Italian territory.)

Approval of the write-off of receivables for the benefit of Axway Srl pursuant to Articles L. 225-42 *et seq.* of the French Commercial Code

The General Meeting, having fulfilled the *quorum* and majority requirements for Ordinary General Meetings and after reviewing the special report of the Statutory Auditors on agreements regulated by Articles L. 225-38 *et seq.* of the French Commercial Code, approves, pursuant to Article L. 225-42 paragraph 3 of the French Commercial Code, the write-off of receivables by Axway Software for the benefit of Axway Srl mentioned in the special report of the Statutory Auditors, and the related conclusions of said report.

Seventh resolution

(The Company wishes to grant a write-off of receivables for the benefit of its Malaysian subsidiary in order to promote the liquidation transactions that it intends to implement in 2014.)

Approval of the write-off of receivables for the benefit of Software Sdn Bhnd, pursuant to Articles L. 225-38 *et seq.* of the French Commercial Code

The General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings and after reviewing the special report of the Statutory Auditors on agreements regulated by Articles L. 225-38 *et seq.* of the French Commercial Code, approves, pursuant to Article L. 225-42 paragraph 3 of the French Commercial Code, the write-off of receivables by Axway Software for the benefit of Axway Sdn Bhnd mentioned in the special report of the Statutory Auditors, and the related conclusions of said report.

Eighth resolution

Approval of the conclusions of the special report of the Statutory Auditors on related-party agreements and commitments

The General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings and after reviewing the special report of the Statutory Auditors on agreements regulated by Articles L. 225-38 *et seq.* of the French Commercial Code, takes note of the conclusions of the special report of the Statutory Auditors relating to related-party agreements and commitments entered into and authorized previously and which continued during the last financial year.

Ninth resolution

Determination of Directors' fees for the 2014 financial year

The General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, resolves to set at €262,500 the amount of Directors' fees to be split between the members of the Board of Directors for the current financial year.

Tenth resolution

Appointment of a Director

(This new appointment is intended to reinforce the good functioning of the Company's Board of Directors.)

The General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, and having reviewed the Board of Directors' report, and on the recommendation of the Remuneration Committee, decides to appoint Pierre-Yves COMMANAY as a Director, with effect from the close of this General Meeting for a term of four (4) years to end at the close of the Ordinary General Meeting called to approve the financial statements for the financial year ending 31 December 2017.

Eleventh resolution

Appointment of an observer pursuant to Article 23 of the Company's Articles of Association

(The Company believed, in the context of its policy of continuously improving its good governance, that it would be useful to appoint an observer.)

The General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, and having reviewed the Board of Directors' report, and on the recommendation of the Remuneration Committee, decides to appoint Yann METZ-PASQUIER as an observer, with effect from the close of this General Meeting for a term of four (4) years to end at the close of the Ordinary General Meeting called to approve the financial statements for the financial year ending 31 December 2017.

Twelfth resolution

Authorisation to be given to the Board of Directors to buy back shares in the Company

1. The General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings and having reviewed the Board of Directors' report, authorizes the Board of Directors, effective immediately and with the power to sub-delegate, in accordance with Articles L. 225-209 *et seq.* of the French Commercial Code, with Article L. 451-3 of the French Monetary and Financial Code, with Articles 241-1 to 241-5 of the General Regulation of the AMF and with Regulation (EC) No. 2273/2003 of the European Commission of 22 December 2003, as well as with the market practices approved by the AMF, to buy shares of the Company on one or more occasions and at such time as it shall choose, pursuant to the conditions below.

2. This authorisation is granted to the Board of Directors up to the date of its renewal at a subsequent Ordinary General Meeting and, in any case, for a maximum of eighteen (18) months from the date of this Meeting. It deprives of effect, from this day, up to the amount, as the case may be, of the part still not used, any authorisation in force with the same purpose.
3. Any purchases of shares in the Company made by the Board of Directors under this authorisation may not in any event result in the Company owning more than 10% of the shares in its share capital at the purchase dates.
4. The transactions effected under the share buyback programme established by the Company may be carried out, on one or more occasions, by any means authorised under applicable regulations, on or off market, on a multi-lateral trading platform, with a systematic internaliser or over the counter, in particular by means of the purchase or sale of share blocks, or alternatively through the use of derivatives traded on a regulated market or over the counter (such as call and put options or any combination thereof) or warrants or more generally securities convertible into shares in the Company and which, on the terms and conditions permitted by the competent market authorities and as and when decided by the Board of Directors or any person acting on the instructions of the Board of Directors. It should be noted that the portion of the share buyback programme carried out by means of the acquisition of blocks of shares is unlimited and may represent the full amount of said programme.
5. The purchases may involve a maximum number of shares of up to 10% of the total number of shares as of the date on which these purchases are made. Nevertheless, the number of shares acquired by the Company with a view to retaining them or subsequently using them as consideration or in exchange as part of a merger, spin-off or transfer of assets, may not exceed 5% of the Company's shares.
6. The price paid for these shares may not exceed a unit price of €37, excluding acquisition costs, it is nevertheless being noted that in the event of changes to the Company's share capital, in particular capital increases with preservation of shareholders' pre-emptive subscription rights or by means of the incorporation of reserves, retained earnings or additional paid-in capital followed by the creation and bonus awarding of shares, the splitting or reverse-splitting of shares, the Board of Directors will be able to adjust the aforementioned maximum purchase price to reflect the impact of these changes on the value of the share.

   The maximum amount that the Company may devote to buying shares under this resolution, excluding acquisition costs, will be €75,721,119.
7. This authorization is designed to enable the Company to buy back shares for any purpose permitted, or that may be permitted in the future, under applicable laws and regulations. In particular, the Company may use this authorisation to:

(a) cover Company share purchase option plans benefiting (some or all) employees and/or (some or all) qualifying corporate officers of the Company and of companies or groupings that are or will be associated with it as per the terms of Article L. 225-180 of the French Commercial Code;

(b) award shares in the Company to qualifying corporate officers, employees and former employees, or certain of them, of the Company or of the Group under profit sharing schemes or a company savings plan in accordance with the law;

(c) award bonus shares under the scheme provided for under Articles L. 225-197-1 *et seq.* of the French Commercial Code to employees and qualifying corporate officers, or certain of them, of the Company and/or of companies and economic interest groupings associated with it under the terms of Article L. 225-197-2 of the French Commercial Code and, more generally, to award shares in the Company to these employees and corporate officers;

(d) retain shares in the Company that are bought back for subsequent exchange or use as consideration in acquisitions, mergers, spin-offs and contribution in line with market practices permitted by the *Autorité des marchés financiers*;

(e) deliver shares upon exercise of rights attaching to securities giving entitlement by means of conversion, exercise, redemption, exchange, presentation of a warrant or by any other means, immediately or in the future, to the allocation of Company shares as well as carrying out any transactions required to cover the Company's obligations with respect to these securities, in compliance with stock market regulations and as and when decided by the Board of Directors or any person acting on the instructions of the Board of Directors;

(f) enable market making in shares *via* an investment services provider under a market making agreement that complies with the AMAFI Code of Ethics, in line with market practices permitted by the *Autorité des marchés financiers*, it being noted that the number of shares bought back in this respect shall, for the purposes of calculating the 10% limit mentioned in Section 5 above, equal the number of shares bought back, less the number of shares sold during the period of this authorisation;

(g) cancel all or some of the shares bought back, so long as the Board of Directors has a valid authorisation from the Extraordinary General Meeting allowing it to reduce the capital by cancelling shares bought back under a share buyback programme.

8. The transactions carried out by the Board of Directors under this authorisation may take place at any time during the period of validity of the share buyback programme.
9. In the event of a public tender offer for the Company's shares, the latter may not continue to apply its share buyback programme in compliance with Article 231-40 of the General Regulation of the *Autorité des marchés financiers*.

The General Meeting fully empowers the Board of Directors, with the option to further delegate this in the legally permitted manner, to resolve to exercise this authorisation and to set the terms and conditions in line with the law and in line with the terms and conditions of this resolution and, in particular, to draw up and publish the description of the share buyback programme, place any stock market orders, sign any documents, enter into any agreements relating in particular to the keeping of share purchase and sale records, carry out any filings and formalities, in particular vis-à-vis the *Autorité des marchés financiers*, allocate or reallocate the shares acquired between the different purposes and, more generally, do everything necessary.

In accordance with Article L. 225-211 paragraph 2, the Board of Directors shall inform the General Meeting, in the report referred to in Article L. 225-100 of the French Commercial Code, of the transactions carried out under this authorization.

Resolutions presented for the approval of the Extraordinary General Meeting

Thirteenth resolution

(The Company has decided to grant double voting rights for shares that are fully paid up and have been held in registered form for two (2) years by a shareholder pursuant to Articles L. 225-123 and L. 225-124 of the French Commercial Code.)

Granting of double voting rights to shareholders whose shares are fully paid up and have been held in registered form for two (2) years - related modification of the Company's Articles of Association.

The General Meeting, having fulfilled the quorum and majority requirements for Extraordinary General Meetings, decides, in accordance with the provisions of Articles L. 225-123 and L. 225-124 of the French Commercial Code, to grant double voting rights to shareholders whose shares are fully paid up and have been held in registered form for at least two (2) years, and decides, as a result, to amend the Articles of Association as follows:

Article 31, paragraph 3 of the Articles of Association is deleted and replaced as follows:

"The voting rights attached to shares are proportional to the share capital they represent.

A voting right which is double the right attached to other shares, in relation to the portion of the share capital represented, is granted to all fully paid-up shares that have been held in registered form for at least two (2) years in the name of the same shareholder.

In the event of a capital increase by incorporation of reserves, profits or share premiums, registered shares granted free of charge to a shareholder by reason of existing shares with double voting rights, shall also have double voting rights as from their issuance.

Any share converted into bearer form or of which ownership is transferred shall lose the double voting right. However, transfer by reason of inheritance, liquidation of marital community property or inter vivos gift to a spouse or relative with inheritance rights shall not lead to a loss of the acquired right and shall not interrupt the two (2) year period provided for above.

A merger of the company shall have no effect on the double voting right, which may be exercised within the acquiring company, if the Articles of Association of such company so provide."

Fourteenth resolution

Authorisation given to the Board of Directors to grant redeemable share warrants (BSAAR) to company officers or employees of the Company or its Group, without shareholder preferential subscription rights

The General Meeting, having fulfilled the quorum and majority requirements for Extraordinary General Meetings, and having reviewed the Board of Directors' report and the special report of the Statutory Auditors, in accordance with Articles L. 228-91 *et seq.*, L. 225-129 *et seq.* and L. 225-139 of the French Commercial Code:

1. delegates to the Board of Directors, with power to subdelegate under the conditions specified by law, the power to decide to issue, on one or more occasions, redeemable share warrants (BSAAR);
2. decides that pursuant to this delegation, the Board of Directors may grant a maximum of 7% of the Company's capital as of the date on which the Board of Directors makes its decision and that the amount of the capital increase resulting from the subscription shall be deducted from the limit in the twenty-ninth resolution adopted by the Combined General Meeting of 4 June 2013;
3. decides, pursuant to the provisions of Article L. 225-138 of the French Commercial Code, to cancel the preferential subscription right of shareholders to the BSAAR and to reserve such right for employees and corporate officers of the Company and its foreign subsidiaries. The Board of Directors will draw up the list of persons authorized to subscribe for the share warrants (the Beneficiaries) and the maximum number of share warrants that may be subscribed by each of them;
4. decides that the Board of Directors:
   (a) shall determine the characteristics of the BSAAR, including their subscription price, which shall be determined, after obtaining the opinion of an independent expert, in accordance with the parameters influencing its value (*i.e.* primarily: the exercise price, the lock-in period, the exercise period, the triggering threshold and repayment period, the interest rate, the dividend distribution policy, the price and volatility of the Company's shares) as well as the terms of the issuance and the terms and conditions of the issuance agreement,

(b) will determine the subscription or acquisition price of the shares by exercising the share warrants, on the stipulation that a share warrant will give entitlement to subscribe for (or acquire) a share in the Company at a price at least equal to 120% of the average of the closing prices of the Company's share for the 20 stock exchange sessions preceding the date on which all the terms and conditions of the share warrants and the terms of their issuance were determined;

5. takes note that the decision to issue share warrants will entail as of right waiver by the shareholders – in favour of holders of such warrants – of their preferential right to subscribe for the shares to be issued by exercising share warrants;
6. gives all powers to the Board of Directors, with power to subdelegate under the legal and regulatory conditions, to take all measures, to conclude all agreements and to carry out all formalities making it possible to issue share warrants, to record the completion of the resulting capital increases, to amend the Articles of Association accordingly and to amend, as it deems necessary and subject to the agreement of the holders of share warrants, the contract for issuing the share warrants;
7. decides that, in accordance with Article L. 225-18 III of the French Commercial Code, the issuance may not be completed beyond a period of eighteen (18) months as from the date of this Meeting.

In accordance with Article L. 225-138 of the French Commercial Code, the Board of Directors will prepare an additional report for the next General Meeting on the conditions under which this delegation has been used.

This delegation of power is granted for a period of eighteen (18) months from the day of this General Meeting and deprives of effect, from this day, in the amount, as the case may be, of the part not used, any authorization in force having the same purpose.

Fifteenth resolution

(Authorisation granted to the Board of Directors to grant bonus shares, whether existing or to be issued, to qualifying Axway Group company officers or employees).

The General Shareholders' Meeting, having fulfilled the quorum and majority requirements for Extraordinary General Meetings, and having reviewed the Board of Directors' report and the special report of the Statutory Auditors, in accordance with the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code:

1. authorizes the Board of Directors to grant, free of charge, on one or more occasions, at its choice, either existing shares of the Company or shares to be issued, to qualifying employees or company officers (within the meaning of Article L. 225-197-1 II paragraph 1 of the French Commercial Code) of the Company or to certain of such employees or officers and of the Companies and economic interest groups affiliated with the Company pursuant to the conditions defined in Article L. 225-197-2 of the French Commercial Code;
2. decides that this delegation is granted for a period of 38 months from this meeting and that it deprives of effect, from this day, in the amount, as the case may be, of the part still not used, any authorisation in force having the same purpose;
3. decides that the total number of shares awarded, whether they consist of existing shares or shares to be issued, may not exceed 4% of the Company's share capital on the date of the Board of Directors' decision to award them, taking into account the number of shares to be issued, if applicable, pursuant to the adjustments required to preserve the rights of the beneficiaries of the bonus shares, this ceiling being independent from the overall ceiling set by the twenty-seventh resolution adopted by the Combined General Meeting of 4 June 2013;
4. decides that the allocation of the shares to their beneficiaries will be definitive, at the discretion of the Board of Directors, for all or some of the shares allocated:

   (a) either after a vesting period of at least four years, and in that case, with no lock-in period,

   (b) or at the end of an acquisition period lasting a minimum of two years, on the stipulation that the beneficiaries will then have to keep said shares for a minimum period of two years from the end of the acquisition period; subject to specific regulations applicable to beneficiaries abroad and that make it necessary, for such beneficiaries, to modify the acquisition and/or lock-in periods (as the case may be) of the shares; in any case, irrespective of their duration, the vesting and lock-in periods shall automatically end if the beneficiary becomes incapacitated as provided by law;
5. decides that the existing shares that may be awarded pursuant to this resolution must be acquired by the Company either in the context of Article L. 225-208 of the French Commercial Code or, where applicable, in the context of the share buyback program authorized by the twelfth resolution submitted to this meeting or of any share buyback program that may be applicable at a later date;
6. takes note that, as regards the shares to be issued, (i) this authorisation will entail, at the end of the acquisition period, capital increase by incorporation of reserves, profits or issue premiums in favour of the beneficiaries of said shares and corresponding waiver by the shareholders in favour of the beneficiaries of the allocation of the part of the reserves, profits or premiums thus incorporated, (ii) this authorisation entails as of right, in favour of the beneficiaries of said shares, waiver by the shareholders of their preferential subscription right. The corresponding capital increase will be finalised solely on account of the definitive allocation of shares to the beneficiaries;

7. delegates all powers to the Board of Directors, within the limits determined above, to implement this resolution and in particular:
   (a) to name the beneficiaries of the bonus shares and the number of shares awarded to each of them,
   (b) to give its approval, with respect to qualifying company officers, in accordance with the last paragraph of section II of Article L. 225-197-1 of the French Commercial Code,
   (c) to set the share allocation dates and terms, notably the period at the end of which the awards shall become definitive, as well as the length of any lock-in period for each beneficiary,
   (d) to determine, as the case may be, the conditions associated in particular with the performance of the Company, the Group or its entities and, as the case may be, the allocation criteria according to which the shares are to be allocated,
   (e) determine whether the bonus shares awarded shall be existing shares or shares to be issued; in the event of the issuing of new shares, increase the capital through the capitalisation of reserves, profits or premiums, determine the nature and amounts of the reserves, profits or premiums to be capitalised for the issuing of said shares, record such capital increases, modify the Articles of Association accordingly and do everything that may be required to ensure the proper unfolding of the operations,
   (f) where appropriate, provide for the possibility of adjusting the number of bonus shares awarded during the vesting period in accordance with any operations on the Company's capital, so as to preserve the rights of the beneficiaries, with the understanding that the shares allocated under those adjustments shall be deemed as having been allocated on the same day as the initially allocated shares,
   (g) in a more general way, with the option to sub-delegate, record the definitive allocation dates and the dates as from which the shares may be freely transferred in the light of legal restrictions; enter into any agreements, produce all documents, carry out all formalities, file all declarations with all appropriate bodies and do everything that may be required.

Sixteenth resolution

Authorisation granted to the Board of Directors to award stock options to qualifying the Group company officers and employees

The General Meeting, having fulfilled the quorum and majority requirements for Extraordinary General Meetings, and having heard the management report of the Board of Directors and the special report of the Statutory Auditors in accordance with the provisions of Articles L. 225-177 et seq. of the French Commercial Code:

1. authorises the Board of Directors, pursuant to the provisions of Articles L. 225-177 et seq. of the French Commercial Code, to award, on one or more occasions, Company share subscription or purchase options in favour of some or all employees and/or some or all qualifying corporate officers of the Company and of companies or economic interest groupings that are associated with it as per the terms of Article L. 225-180 of the French Commercial Code;
2. decides that the options granted under this authorisation may not give entitlement to subscribe for or purchase a total number of shares greater than 1% of the number of shares comprising the Company's capital on the day of allocation of options by the Board of Directors, on the stipulation that this ceiling is determined not taking account of the number of shares to be issued, as the case may be, in respect of the adjustments made to preserve, in accordance with the law, the rights of the beneficiaries of options;
3. decides that the Board of Directors will decide, on the day when it grants the options, on the subscription or purchase price of the shares within the limits and under the terms specified by law, on the stipulation that this price may not be lower than the average of the listed prices of the Company's share on the regulated market of NYSE Euronext in Paris during the 20 stock exchange sessions preceding the day when the options are granted. For the duration of the options allocated, their price may not be amended unless the Company carries out one or more financial operations or operations on securities for which the law requires the Company to take the measures needed to protect the interests of the beneficiaries of the options. In this case the Board of Directors will, under the regulatory conditions, take the necessary measures to take account of the occurrence of the operation(s) and may decide to temporarily suspend, as the case may be, the right to exercise the options in the event of the undertaking of any financial operation giving rise to adjustment in accordance with Article L. 225-181 paragraph 2 of the French Commercial Code or of any other financial operation within the framework of which it sees fit to suspend such right;

4. takes note that this authorisation entails, in favour of the beneficiaries of the subscription options, express waiver by the shareholders of their preferential right to subscribe for the shares to be issued as and when options are exercised;
5. decides that the Board of Directors will determine the conditions under which the options will be granted, which may comprise the achievement of one or more quantitative performance conditions determined by the Board of Directors and clauses prohibiting immediate resale of all or some of the shares, provided the lock-up period does not exceed three years from exercise of the option. Notwithstanding the foregoing, the Board of Directors may, under the conditions specified by law concerning the Company officers to which it refers, impose clauses prohibiting exercise of the options before they leave office or immediate resale with an obligation to keep in a registered account all or some of the shares resulting from exercise of the options until they leave office;
6. decides that the subscription or purchase options must be exercised within a time limit determined by the Board of Directors within a maximum period of eight years from their allocation date. Nevertheless, this period may not expire less than six months after the end of the period during which said options may not be exercised, as imposed on a company officer by the Board of Directors pursuant to Article L. 225-185 of the French Commercial Code, and will be extended accordingly;
7. grants to the Board of Directors, with power to subdelegate, all powers to implement, within the limits determined hereinabove, this resolution and in particular:
   (a) to determine the nature of the options allocated (share subscription and/or purchase options),
   (b) to determine the prices and conditions under which the options are to be granted,
   (c) to draw up the list of beneficiaries and the number of options allocated to each of them,
   (d) to determine the conditions for exercising the options and in particular to limit, restrict or prohibit (i) exercise of the options or (ii) sale of the shares obtained by exercising the options for certain periods or from certain events, such that its decision may relate to all or some of the options and concern all or some of the beneficiaries,
   (e) to decide on the conditions under which the price and the number of shares to be subscribed or purchased are to be adjusted in accordance with the regulations,
   (f) to charge, as the case may be, the costs of the capital increases to the amount of the premiums related to such increases and, as it sees fit, to deduct from this amount the sums needed to raise the legal reserve to one-tenth of the new capital after each increase,
   (g) to carry out or cause to be carried out all acts and formalities to finalise the capital increases(s) carried out under this resolution, to amend the Articles of Association accordingly and more generally to do what is necessary;
8. decides that this delegation is granted for a period of 38 months from this meeting and that it deprives of effect, from this day, in the amount, as the case may be, of the part still not used, any authorisation in force having the same purpose.

The Board of Directors will, each year, inform the shareholders at the Ordinary General Meeting of the operations carried out under this authorisation.

Seventeenth resolution

Powers to perform formalities

The General Meeting fully empowers the bearer of an original, a copy or an extract from the minutes of this Meeting for the purposes of carrying out all legal or administrative formalities and carrying out all filing and disclosure requirements stipulated under applicable law.

The Board of Directors

CAPITAL AND AXWAY SOFTWARE STOCK

7

1 GENERAL INFORMATION

Axway Software was listed on the regulated NYSE Euronext market in Paris on 14 June 2011.

On 31 December 2013, the capital of Axway Software comprised 20,465,177 shares with a par value of €2, representing a total of €40,930,354.

Axway Software shares are listed on Compartment B of NYSE Euronext Paris and are eligible for the Deferred Settlement Service (SRD).

2 CURRENT OWNERSHIP

Shareholders	At 31/12/2013				
	Number of shares owned	% of capital	Number of theoretical voting rights	Number of exercisable voting rights	% of voting rights
Sopra Group	5,263,435	25.70%	5,263,435	5,263,435	25.72%
Sopra GMT(1)	4,382,858	21.40%	4,382,858	4,382,858	21.40%
Pasquier family group(1)	19,535	0.10%	19,535	19,535	0.10%
Odin family group(1)	242,595	1.20%	242,595	242,595	1.20%
Sopra Développement(2)	255,818	1.30%	255,818	255,818	1.30%
Management(2)	244,130	1.20%	244,130	244,130	1.20%
Shareholder agreement between the Founders, the Managers and Sopra Group SA(3)	10,408,371	50.90%	10,408,371	10,408,371	50.92%
Geninfo	1,793,575	8.80%	1,793,575	1,793,575	8.82%
Shareholder agreement between the Founders, Sopra Group SA and Geninfo	11,701,998	57.20%	11,701,998	11,701,998	57.24%
Total of shareholder agreement between the Founders, the Managers, Sopra Group SA and Geninfo	12,201,946	59.70%	12,201,946	12,201,946	59.74%
Caravelle	2,572,458	12.60%	2,572,458	2,572,458	12.60%
Float	5,662,118	27.60%	5,662,118	5,662,118	27.66%
Treasury shares	28,655	0.10%	28,655	0	0%
TOTAL	**20,465,177**	**100%**	**20,465,177**	**20,436,522**	**100.00%**

(1) Sopra GMT, the Pasquier family group and the Odin family group being together referred to as the "Founders".
(2) Sopra Développement and Management being together referred to as the "Managers".
(3) Of which 5,144,936 shares held by the Founders and Managers subgroup (i.e. 22.7% of the capital and voting rights), and 5,263,435 shares held by Sopra Group SA (i.e. 25.7% of the capital and voting rights) at 31 December 2013.

To the best of the Company's knowledge, no individual public shareholder owns more than 5% of the capital.

On 31 December 2013, Axway Software did not own any treasury shares other than those held under the market-making agreement (28,655 shares).

Shareholders	At 31/12/2012 Number of shares owned	% of capital	Number of theoretical voting rights	Number of exercisable voting rights	% of voting rights
Sopra Group	5,287,935	26.02%	5,287,935	5,287,935	26.02%
Sopra GMT[(1)]	4,382,858	21.57%	4,382,858	4,382,858	21.57%
Pasquier family group[(1)]	19,535	0.10%	19,535	19,535	0.10%
Odin family group[(1)]	242,595	1.19%	242,595	242,595	1.19%
Sopra Développement[(2)]	255,818	1.26%	255,818	255,818	1.26%
Management[(2)]	242,507	1.19%	242,507	242,507	1.19%
Shareholder agreement between the Founders, the Managers and Sopra Group SA[(3)]	10,431,248	51.33%	10,431,248	10,431,248	51.33%
Geninfo	1,793,575	8.80%	1,793,575	1,793,575	8.80%
Shareholder agreement between the Founders, Sopra Group SA and Geninfo	11,726,498	57.71%	11,726,498	11,726,498	57.71%
Total of shareholder agreement between the Founders, the Managers, Sopra Group SA and Geninfo	12,224,823	60.20%	12,224,823	12,224,823	60.20%
Caravelle	2,572,458	12.70%	2,572,458	2,572,458	12.70%
Float	5,488,004	26.90%	5,488,004	5,488,004	27.10%
Treasury shares	35,753	0.20%	35,753	0	0.00%
TOTAL	**20,321,038**	**100%**	**20,321,038**	**20,285,285**	**100%**

Shareholders	At 31/12/2011 Shares	% of capital	Number of theoretical voting rights	Number of exercisable voting rights	% of voting rights
Sopra Group	5,293,535	26.27%	5,293,535	5,293,535	26.27%
Sopra GMT[(1)]	4,382,858	21.75%	4,382,858	4,382,858	21.75%
Pasquier family group[(1)]	156,995	0.78%	156,995	156,995	0.78%
Odin family group[(1)]	242,595	1.20%	242,595	242,595	1.20%
Sopra Développement[(2)]	252,818	1.25%	252,818	252,818	1.25%
Management[(2)]	345,982	1.72%	345,982	345,982	1.72%
Shareholder agreement between the Founders, the Managers and Sopra Group SA[(3)]	10,674,783	52.97%	10,674,783	10,674,783	52.97%
Geninfo	1,793,375	8.90%	1,793,375	1,793,375	8.90%
Shareholder agreement between the Founders, Sopra Group SA and Geninfo	11,869,358	58.90%	11,869,358	11,869,358	58.90%
Total of shareholder agreement between the Founders, the Managers, Sopra Group SA and Geninfo	12,468,158	61.87%	12,468,158	12,468,158	61.87%
Caravelle	2,572,458	12.77%	2,572,458	2,572,458	12.77%
Float	5,076,857	25.19%	5,076,857	5,076,857	25.36%
Treasury shares	33,392	0.17%	33,392	0	0.00%
TOTAL	**20,150,641**	**100%**	**20,150,641**	**20,117,473**	**100%**

(1) Sopra GMT, the Pasquier family group and the Odin family group being together referred to as the "Founders".
(2) Sopra Développement and Management being together referred to as the "Managers".
(3) 4,644,988 owned by the Founders and the Managers (i.e., 22.7% of the share capital and voting rights) and 5,287,935 owned by Sopra Group SA (i.e., 25.7% of share capital and voting rights).

Sopra GMT's ownership structure is as follows:

Sopra GMT's ownership structure	31/12/2013		31/12/2012		31/12/2011	
Shareholders	**Shares**	**% of capital**	**Shares**	**% of capital**	**Shares**	**% of capital**
Pierre Pasquier family	318,050	67.31%	318,050	67.31%	318,050	67.31%
François Odin family	132,050	27.95%	132,050	27.95%	132,050	27.95%
Sopra Group management	22,435	4.74%	22,435	4.74%	22,435	4.74%
TOTAL	**472,535**	**100.00%**	**472,535**	**100.00%**	**472,535**	**100.00%**

2.1 Share ownership thresholds

"Any shareholder who holds more than 3% or more than 4% of the Company's capital shall inform the Company in the same manner and based on the same methods of calculation as required with respect to legal thresholds." (Article 28 of the Articles of Association).

Other than Sopra Group, Sopra GMT, Geninfo (Société Générale Group) and Caravelle, no other shareholder has declared exceeding these thresholds.

2.2 Approximate number of shareholders

As of 31 December 2013, Axway Software had 311 registered shareholders who owned an aggregate of 15,211,195 registered shares out of a total of 20,465,177 shares.

On the basis of the most recent data received by the Company, the total number of Axway Software shareholders can be estimated at circa 2,000.

2.3 Shareholders' agreements notified to the stock market authorities

Sopra Group and Sopra GMT, financial holding company of Sopra Group SA and of Axway, acting in concert *vis-à-vis* Axway with:

- on the one hand, the Pasquier family group, the Odin family group, Sopra Développement and managers pursuant to an amendment of 27 April 2011 to the shareholders' agreement concluded on 7 December 2009 on Sopra Group SA, such that the provisions of said agreement were extended for the same period to encompass the Company's shares. With respect to the Company this means:
  - an undertaking by the parties to act in concert so as to implement shared policies and, in general, to approve any major decisions,
  - an undertaking by the parties to act in concert in connection with the appointment and reappointment of members of the Company's management bodies, by which the senior managers agree to facilitate the appointment of any individuals proposed by the Pasquier and Odin family groups and Sopra GMT,
  - an undertaking by the parties to act in concert in connection with any proposed acquisition or disposal of more than 0.20% of the capital or voting rights of the Company,
  - an undertaking by the parties to act in concert in order to adopt a shared strategy in the event of a public tender offer for the Company's shares,
  - a pre-emptive right granted to the Pasquier and Odin family groups, Sopra GMT and Sopra Développement in the event of any disposal (i) by a senior Company manager of Company shares (right of first refusal for Sopra GMT, right of second refusal for the Pasquier family group, right of third refusal for the Odin family group, right of fourth refusal for Sopra Développement) or (ii) by Sopra Développement of Company shares (right of first refusal for Sopra GMT, right of second refusal for the Pasquier family group, right of third refusal for the Odin family group). The exercise price for the pre-emptive right shall equal (x) the price agreed by the transferor and the transferee in the event of an off-market sale, (y) the average share price over the ten trading days preceding the announcement of the disposal in the event of a sale on the market, and (z) in all other cases, the transaction value of the shares;
- on the other hand, GENINFO, it being noted that this concerted action, which was confirmed by GENINFO, has not led to a shareholders' agreement with respect to Axway. There is, however, an agreement dated 16 November 2004 between Sopra GMT, Messrs Pasquier and Odin on the one hand and GENINFO on the other hand, in which they represent acting in concert *vis-à-vis* Sopra Group SA, of which they own circa 43.60% of the capital and voting rights (47.45% including the interest held in concert by Sopra GMT, the Pasquier family group and the Odin family group together with Sopra Développement and the managers).

An amendment No. 2 of 14 December 2012 to the aforementioned shareholders' agreement of 7 December 2009 has also been signed. This amendment No. 2 has no effect on the Company insofar as Sopra Executives Investments does not hold any shares in the Company.

2.4. Control of the Company

The Company does not believe that there is a risk that the control of the Company will be exercised in an abusive manner by Sopra Group SA and Sopra GMT, since:

- the Company has decided to refer to the Middlenext Code of Corporate Governance for Small and Midcaps of December 2009, due to its suitability in relation to the size of the Company and its capital structure;
- the duties of the Chairman and Chief Executive Officer are separated;
- the Board of Directors of Axway has five independent directors:
  - Pascal Imbert and Hervé Saint-Sauveur, who were selected/qualified as independent at a meeting on 9 May 2011; this qualification was renewed on 14 February 2014, in accordance with the recommendations of the Middlenext Code of corporate governance. (see Chapter 2, Section 1.2);
  - Michael Gollner and Yves de Talhouët who were qualified as independent on 19 February 2013;
  - Hervé Déchelette who was qualified as independent on 19 February 2014;
- the directors are bound by the obligation to protect the Company's interests, to comply with the Board's charter and its internal regulations and to observe the rules of good governance, as defined in the Middlenext Code (Code of Ethics for Board members);
- the Company has established an Audit Committee responsible for reviewing the financial statements, monitoring the efficiency of the internal control and risk management systems, monitoring the statutory audit of the financial statements and verifying compliance with the requirement for the Statutory Auditors to be independent (see Chapter 2, Section 4.1.5).

Sopra Group and Sopra GMT, financial holding company of Axway and Sopra Group SA, the founders and Geninfo have an influence on the Company and the power to take major decisions in respect of the Company. Their ownership, in concert, of around 57.20% of the voting rights means that they control Axway.

3 CHANGES IN SHARE CAPITAL

Date	Description	Capital following transaction *(in euros)*	Nominal value	Number of shares: Created	Number of shares: Total	Contributions: Nominal value	Contributions: Premiums or reserves
2008		75,620,000	€38		1,990,000	-	-
2009		75,620,000	€38		1,990,000	-	-
2010		75,620,000	€38		1,990,000	-	-
2011	Splitting par value by 8	75,620,000	€4.75		15,920,000	-	-
2011	Capital increase by incorporation of reserves	76,572,437	€4.75	200,513	16,120,513	-	-
2011	Capital reduction by means of par value reduction	32,241,026	€2		16,120,513	44,331	44,331
2011	Capital increase by exercises of options	40,301,282	€2	4,030,128	20,150,641	-	-
2012	Capital increase by exercises of options	40,642,076	€2	170,397	20,321,038	-	-
14/02/2013	Capital increase by issuing bonus shares	40,642,166	€2	45	20,321,083	-	-
18/06/2013	Capital increase by exercises of options	40,709,974	€2	33,904	20,354,987	-	-
19/09/2013	Capital increase by exercises of options	40,760,834	€2	25,430	20,380,417	-	-
20/09/2013	Capital increase by exercises of options	40,780,834	€2	10,000	20,390,417	-	-
25/09/2013	Capital increase by exercises of options	40,899,496	€2	59,331	20,449,748	-	-
26/09/2013	Capital increase by exercises of options	40,913,400	€2	6,952	20,456,700	-	-
29/09/2013	Capital increase by exercises of options	40,930,354	€2	8,477	20,465,177	-	-

4 SHARES HELD BY THE COMPANY OR ON ITS BEHALF – SHARE BUYBACK PROGRAMME

The Combined General Meeting of 4 June 2013 authorised the Board of Directors to implement a Company buyback programme, pursuant to the provisions of Article L. 225-209 of the French Commercial Code and in accordance with the General Regulation of the AMF.

No more than €75,187,840.60, excluding acquisition costs, may be allocated to this share buyback programme for a maximum of 2,019,103 shares. It was also decided that the Company may not directly or indirectly hold over 10% of its share capital.

The authorisation to establish the share buyback programme was given to the Board of Directors for a period of 18 months from the date of the Combined General Meeting of 4 June 2013.

This authorisation is meant to enable the Company to achieve the following objectives:

(a) cover Company share purchase option plans benefiting (some or all) employees and/or (some or all) qualifying corporate officers of the Company and of companies or groupings that are or will be associated with it as per the terms of Article L. 225-180 of the French Commercial Code;

(b) award ordinary shares to qualifying corporate officers, employees and former employees, or certain categories thereof, of the Company or of the Group under profit sharing schemes or a company savings plan in accordance with the law;

(c) award bonus shares under the bonus share award scheme provided for under Articles L. 225-197-1 *et seq.* of the French Commercial Code to employees and qualifying corporate officers, or certain of them, of the Company and/or of companies and economic interest groupings associated with it under the terms of Article L. 225-197-2 of the French Commercial Code and, more generally, to award ordinary shares in the Company to these employees and corporate officers;

(d) retain ordinary shares in the Company that are bought back for subsequent exchange or use as consideration in acquisitions, in line with market practices permitted by the *Autorité des marchés financiers*;

(e) deliver shares upon exercise of rights attaching to securities giving entitlement by means of conversion, exercise, redemption, exchange, presentation of a warrant or by any other means, immediately or in the future, to the allocation of Company shares as well as carrying out any transactions required to cover the Company's obligations with respect to these securities, in compliance with stock market regulations and as and when decided by the Board of Directors or any person acting on the instructions of the Board of Directors;

(f) enable market making in ordinary shares *via* an investment services provider under a market making agreement that complies with the AMAFI Code of Ethics, in line with market practices permitted by the *Autorité des marchés financiers*, it being noted that the number of ordinary shares bought back in this respect shall, for the purposes of calculating the 10% limit, equal the number of ordinary shares bought back, less the number of ordinary shares sold during the period of this authorisation;

(g) cancel all or some of the ordinary shares bought back, so long as the Board of Directors has a valid authorisation from the Extraordinary General Meeting allowing it to reduce the capital by cancelling ordinary shares bought back under an ordinary share buyback programme.

The Company could also use this resolution and continue to apply its buyback programme in compliance with legal and regulatory provisions and, in particular, the provisions of Articles 231-1 *et seq.* of the General Regulation of the *Autorité des marchés financiers* during the course of a public tender offer or public exchange offer made by the Company.

Pursuant to the provisions of Article L 225-211 of the French Commercial Code, the Company sets out the terms of exercise of the share buyback programme over the past financial year.

In the financial year ended 31 December 2013, this share buyback programme was exclusively used for the purposes of the market-making agreement designed to facilitate a secondary market in and ensure the liquidity of the Company's stock *via* an investment services provider.

From 10 June 2011 and for 12-month periods subject to tacit renewal, the Company entrusted Kepler Capital Markets with the implementation of this market-making agreement in accordance with the various resolutions approved by the General Meetings. Under this agreement, Kepler Capital Markets traded on behalf of Axway Software on the stock market in order to ensure trading liquidity and stock price stability and thereby avoid price fluctuations not justified by underlying market trends. On 31 December 2013, Kepler Capital Markets held €354,855.71 in cash and 28,655 Axway Software shares on behalf of Axway Software.

The Company set aside €1 million for the implementation of this agreement. This agreement complies with the Code of Ethics drawn up by the *Association Française des Marchés Financiers* dated 23 September 2008 and approved by the AMF by decision of 1 October 2008. Note that a decision was taken to implement the liquidity contract in the context of the authorisation granted by the Ordinary General Meeting of 24 May 2012 and its necessary tacit renewal under the eighteenth resolution of the Combined General Meeting of 4 June 2013.

On 14 April 2014, the Board of Directors resolved to ask the General Meeting of 4 June 2014 to renew this authorisation (see Chapter 6 Resolutions).

5 ISSUE AUTHORISATIONS GIVEN TO THE BOARD OF DIRECTORS OF AXWAY – DELEGATIONS GRANTED BY GENERAL MEETINGS

The table below sums up the valid delegations granted by the General Meeting in accordance with Article L. 225-100 paragraph 7 of the French Commercial Code.

I. Use of the delegations of authority granted by the Combined General Meeting of 28 April 2011

POWERS GRANTED TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY INCORPORATING RESERVES, RETAINED EARNINGS, ADDITIONAL PAID-IN CAPITAL OR OTHER ITEMS (EIGHTH RESOLUTION)

Date of General Meeting granting the powers	28 April 2011
Duration of powers and expiry date	26 months
Expiry date	4 June 2013(1)
Scope of powers *(in euros)*	20,000,000(2)
Use made of these powers during the financial year *(in euros)*	-
Remaining balance	20,000,000

(1) 20th resolution of the Combined General Meeting of 4 June 2013 cancelled the unused part of this authorisation from 4 June 2013.
(2) This threshold is independent and separate from the capital increase thresholds potentially arising from the issue of ordinary shares or convertible securities authorised by the other resolutions of the General Meeting of 28 April 2011.

POWERS GRANTED TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY ISSUING ORDINARY SHARES AND/OR SECURITIES CONVERTIBLE INTO ORDINARY SHARES, WITH PREFERENTIAL SUBSCRIPTION RIGHTS (NINTH RESOLUTION)

Date of General Meeting granting the powers	28 April 2011
Duration of powers and expiry date	26 months
Expiry date	4 June 2013(1)
Scope of powers *(in euros)*	20,000,000 200,000,000(2) (debt securities)
Use made of these powers during the financial year *(in euros)*	8,060,256 -
Remaining balance	11,939,744 200,000,000

(1) 21st resolution of the Combined General Meeting of 4 June 2013 cancelled the unused part of this authorisation from 4 June 2013.
(2) This threshold covers all debt securities that may be issued under this resolution and the 10th, 11th and 13th resolutions.

POWERS GRANTED TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY ISSUING ORDINARY SHARES AND/OR SECURITIES CONVERTIBLE INTO ORDINARY SHARES, WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS, EXCLUDING A PUBLIC TENDER OFFER (TENTH RESOLUTION)

Date of General Meeting granting the powers	28 April 2011
Duration of powers and expiry date	26 months
Expiry date	4 June 2013(1)
Scope of powers *(in euros)*	20,000,000(2) 200,000,000(3) (debt securities)
Use made of these powers during the financial year *(in euros)*	- -
Remaining balance	20,000,000 200,000,000

(1) 22nd resolution of the Combined General Meeting of 4 June 2013 cancelled the unused part of this authorisation from 4 June 2013.
(2) This amount is deducted from the capital increase nominal threshold set in the 9th resolution of the General Meeting of 28 April 2011.
(3) This amount is deducted from the nominal amount of debt securities set in the 9th resolution of the General Meeting of 28 April 2011.

POWERS GRANTED TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY ISSUING ORDINARY SHARES AND/OR SECURITIES CONVERTIBLE INTO ORDINARY SHARES, WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS, AS PART OF A PUBLIC TENDER OFFER (ELEVENTH RESOLUTION)

Date of General Meeting granting the powers	28 April 2011
Duration of powers and expiry date	26 months
Expiry date	4 June 2013(1)
Scope of powers *(in euros)*	20,000,000(2) 200,000,000(3) (debt securities)
Use made of these powers during the financial year *(in euros)*	- -
Remaining balance	20,000,000 200,000,000

(1) 23rd resolution of the Combined General Meeting of 4 June 2013 cancelled the unused part of this authorisation from 4 June 2013.
(2) This amount is deducted from the capital increase nominal threshold set in the 9th resolution of the General Meeting of 28 April 2011.
(3) This amount is deducted from the nominal amount of debt securities set in the 9th resolution of the General Meeting of 28 April 2011.

AUTHORISATION GRANTED TO THE BOARD OF DIRECTORS TO INCREASE THE SIZE OF THE INITIAL OFFERING INVOLVING THE ISSUE OF ORDINARY SHARES OR SECURITIES CONVERTIBLE INTO ORDINARY SHARES, WITH OR WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS APPROVED PURSUANT TO THE NINTH, TENTH AND ELEVENTH RESOLUTIONS (TWELFTH RESOLUTION)

Date of General Meeting granting the powers	28 April 2011
Duration of powers and expiry date	26 months
Expiry date	4 June 2013(1)
Scope of powers *(in euros)*	Thresholds provided for respectively in the ninth, tenth and eleventh resolutions
Use made of these powers during the financial year *(in euros)*	-
Remaining balance	20,000,000 200,000,000

(1) 24th resolution of the Combined General Meeting of 4 June 2013 cancelled the unused part of this authorisation from 4 June 2013.

POWERS GRANTED TO THE BOARD OF DIRECTORS TO ISSUE ORDINARY SHARES AND SECURITIES CONVERTIBLE INTO ORDINARY SHARES TO COMPENSATE CONTRIBUTIONS IN KIND MADE TO THE COMPANY AND COMPRISING EQUITY SECURITIES OR CONVERTIBLE SECURITIES, OUTSIDE PUBLIC EXCHANGE OFFERS (THIRTEENTH RESOLUTION)

Date of General Meeting granting the powers	28 April 2011
Duration of powers and expiry date	26 months
Expiry date	4 June 2013(1)
Scope of powers *(in euros)*	10% of the share capital at the date of the General Meeting, *i.e.* 7,562,000(2)
Use made of these powers during the financial year *(in euros)*	-
Remaining balance	7,562,000

(1) 25th resolution of the Combined General Meeting of 4 June 2013 cancelled the unused part of this authorisation from 4 June 2013.
(2) This amount is deducted from the threshold set in the 15th resolution of the General Meeting of 28 April 2011.

AUTHORISATION GRANTED TO THE BOARD OF DIRECTORS TO SET THE ISSUE PRICE OF ORDINARY SHARES OR ANY SECURITIES CONVERTIBLE INTO ORDINARY SHARES, WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS, UP TO A MAXIMUM OF 10% OF THE CAPITAL PER YEAR (FOURTEENTH RESOLUTION)

Date of General Meeting granting the powers	28 April 2011
Duration of powers and expiry date	26 months
Expiry date	4 June 2013(1)
Scope of powers	10% of the share capital per period of twelve (12) months as well as the threshold set in the ninth resolution from which it is deducted
Use made of these powers during the financial year	-
Remaining balance	10% of the share capital per period of twelve (12) months as well as the threshold set in the ninth resolution from which it is deducted

(1) 26th resolution of the Combined General Meeting of 4 June 2013 cancelled the unused part of this authorisation from 4 June 2013.

OVERALL LIMIT ON ISSUE AUTHORISATIONS WITH OR WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS (FIFTEENTH RESOLUTION)

Date of General Meeting granting the powers	28 April 2011
Duration of powers and expiry date	26 months
Expiry date	4 June 2013(1)
Scope of powers *(in euros)*	20,000,000(2)
Use made of these powers during the financial year *(in euros)*	8,060,256
Remaining balance	11,939,744

(1) 27th resolution of the Combined General Meeting of 4 June 2013 cancelled the unused part of this authorisation from 4 June 2013.
(2) Overall maximum nominal value of share capital increases that may be carried out on the basis of the 9th, 10th, 11th, 12th, 13th and 14th resolutions of the General Meeting of 28 April 2011.

AUTHORISATION GRANTED TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY ISSUING ORDINARY SHARES RESERVED FOR THE GROUP EMPLOYEES WHO ARE MEMBERS OF A COMPANY SAVINGS PLAN (SIXTEENTH RESOLUTION)

Date of General Meeting granting the powers	28 April 2011
Duration of powers and expiry date	26 months
Expiry date	4 June 2013(2)
Scope of powers *(in euros)*	3% of the share capital at the date of the General Meeting, *i.e.* 2,268,600(1)
Use made of these powers during the financial year *(in euros)*	-
Remaining balance	2,268,600

(1) This threshold is independent and separate from the capital increase thresholds potentially arising from the issue of ordinary shares or convertible securities authorised by the other resolutions of the General Meeting of 28 April 2011.
(2) 28th resolution of the Combined General Meeting of 4 June 2013 cancelled the unused part of this authorisation from 4 June 2013.

AUTHORISATION GRANTED TO THE BOARD OF DIRECTORS TO AWARD STOCK OPTIONS TO QUALIFYING COMPANY OFFICERS AND EMPLOYEES OF THE AXWAY GROUP (SEVENTEENTH RESOLUTION);

Date of General Meeting granting the powers	28 April 2011
Duration of powers and expiry date	38 months
Expiry date	4 June 2014(1)
Scope of powers	7% of the number of shares in the Company's capital on the date the options are awarded by the Board of Directors
Use made of these powers during the financial year	5.80%
Remaining balance	1.2%

(1) 29th resolution of the Combined General Meeting of 4 June 2013 cancelled the unused part of this authorisation from 4 June 2013.

II. Use of the delegations of authority granted by the Ordinary General Meeting of 24 May 2012

AUTHORISATION GRANTED TO THE BOARD OF DIRECTORS FOR BUYING ORDINARY SHARES OF THE COMPANY (THIRTEENTH RESOLUTION)

Date of General Meeting granting the powers	24 May 2012
Duration of powers and expiry date	18 months
Expiry date	4 June 2013(1)
Scope of powers	10% of total ordinary shares as of the date of the buybacks, for up to €75,187,840.60 and a theoretical maximum of 2,032,108 ordinary shares
Use made of these powers during the financial year *(in euros)*	€354,865.71
Remaining balance	9.2% of total ordinary shares as of the date of the buybacks, for up to €75,187,840.60 and a theoretical maximum of 2,032,108 ordinary shares

(1) 18th resolution of the Combined General Meeting of 4 June 2013 cancelled the unused part of resolution e.

III. Use of the delegations of authority granted by the Combined General Meeting of 4 June 2013

AUTHORISATION GRANTED TO THE BOARD OF DIRECTORS FOR BUYING ORDINARY SHARES OF THE COMPANY (EIGHTEENTH RESOLUTION)

Date of General Meeting granting the powers	4 June 2013
Duration of powers and expiry date	18 months
Expiry date	3 December 2014
Scope of powers	10% of total ordinary shares as of the date of the buybacks, for up to €75,187,840.60 and a theoretical maximum of 2,032,108 ordinary shares
Use made of these powers during the financial year *(in euros)*	€354,865.71
Remaining balance	9.2% of total ordinary shares as of the date of the buybacks, for up to €75,187,840.60 and a theoretical maximum of 2,032,108 ordinary shares

AUTHORISATION GRANTED TO THE BOARD OF DIRECTORS FOR CANCELLING THE SHARES THAT THE COMPANY WOULD HAVE PURCHASED AS PART OF THE BUYBACK PROGRAMME; CORRESPONDING REDUCTION IN CAPITAL (NINETEENTH RESOLUTION)

Date of General Meeting granting the powers	4 June 2013
Duration of powers and expiry date	24 months
Expiry date	3 June 2015
Scope of powers	10% of the capital, subject to the fact that such percentage is applied to the capital adjusted on the basis of transactions affecting it after the date of the Combined General Meeting of 4 June 2013
Use made of these powers during the financial year *(in euros)*	-
Remaining balance	10% of the capital, subject to the fact that such percentage is applied to the capital adjusted on the basis of transactions affecting it after the date of the Combined General Meeting of 4 June 2013

POWERS GRANTED TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY INCORPORATING RESERVES, RETAINED EARNINGS, ADDITIONAL PAID-IN CAPITAL OR OTHER ITEMS (TWENTIETH RESOLUTION)

Date of General Meeting granting the powers	4 June 2013
Duration of powers and expiry date	26 months
Expiry date	3 August 2015
Scope of powers *(in euros)*	20,000,000(1)
Use made of these powers during the financial year *(in euros)*	-
Remaining balance	20,000,000

(1) This threshold is independent and separate from the capital increase thresholds potentially arising from the issue of ordinary shares or convertible securities authorised by the other resolutions of the General Meeting of 4 June 2013.

POWERS GRANTED TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY ISSUING ORDINARY SHARES AND/OR SECURITIES CONVERTIBLE INTO ORDINARY SHARES, WITH PREFERENTIAL SUBSCRIPTION RIGHTS AND/OR SECURITIES GIVING ENTITLEMENT TO THE ALLOCATION OF DEBT SECURITIES (TWENTY-FIRST RESOLUTION)

Date of General Meeting granting the powers	4 June 2013
Duration of powers and expiry date	26 months
Expiry date	3 August 2015
Scope of powers *(in euros)*	20,000,000 200,000,000[1] (debt securities)
Use made of these powers during the financial year *(in euros)*	- -
Remaining balance	20,000,000 200,000,000

(1) This threshold covers all debt securities that may be issued under this resolution and the 21st, 22nd, and 23rd resolutions.

POWERS GRANTED TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY ISSUING ORDINARY SHARES AND/OR SECURITIES CONVERTIBLE INTO ORDINARY SHARES, WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS AND/OR SECURITIES GIVING ENTITLEMENT TO THE ALLOCATION OF DEBT SECURITIES BY PRIVATE PLACEMENT (TWENTY-SECOND RESOLUTION)

Date of General Meeting granting the powers	4 June 2013
Duration of powers and expiry date	26 months
Expiry date	3 August 2015
Scope of powers *(in euros)*	10,000,000[1] 100,000,000[2] (debt securities)
Use made of these powers during the financial year *(in euros)*	- -
Remaining balance	10,000,000 100,000,000

(1) This amount is deducted from the capital increase nominal threshold set in the 27th resolution of the Combined General Meeting of 4 June 2013.
(2) This amount is deducted from the nominal amount of debt securities set in the 27th resolution of the Combined General Meeting of 4 June 2013.

POWERS GRANTED TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY ISSUING ORDINARY SHARES AND/OR SECURITIES CONVERTIBLE INTO ORDINARY SHARES, WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS, AS PART OF A PUBLIC TENDER OFFER (TWENTY-THIRD RESOLUTION)

Date of General Meeting granting the powers	4 June 2013
Duration of powers and expiry date	26 months
Expiry date	3 August 2015
Scope of powers *(in euros)*	20,000,000[1] 200,000,000[2] (debt securities)
Use made of these powers during the financial year *(in euros)*	- -
Remaining balance	20,000,000 200,000,000

(1) This amount is deducted from the capital increase nominal threshold set in the 27th resolution of the Combined General Meeting of 4 June 2013.
(2) This amount is deducted from the nominal amount of debt securities set in the 27th resolution of the Combined General Meeting of 4 June 2013.

AUTHORISATION GRANTED TO THE BOARD OF DIRECTORS TO INCREASE THE SIZE OF THE INITIAL OFFERING INVOLVING THE ISSUE OF ORDINARY SHARES OR SECURITIES CONVERTIBLE INTO ORDINARY SHARES, WITH OR WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS APPROVED PURSUANT TO THE 21ST, 22ND AND 23RD RESOLUTIONS (TWENTY-FORTH RESOLUTION)

Date of General Meeting granting the powers	4 June 2013
Duration of powers and expiry date	26 months
Expiry date	3 August 2015
Scope of powers *(in euros)*	Thresholds provided for respectively in the 21st, 22nd and 23rd resolutions
Use made of these powers during the financial year *(in euros)*	-
Remaining balance	20,000,000 200,000,000

POWERS GRANTED TO THE BOARD OF DIRECTORS TO ISSUE ORDINARY SHARES AND SECURITIES CONVERTIBLE INTO ORDINARY SHARES TO COMPENSATE CONTRIBUTIONS IN KIND MADE TO THE COMPANY AND COMPRISING EQUITY SECURITIES OR CONVERTIBLE SECURITIES, OUTSIDE PUBLIC EXCHANGE OFFERS (TWENTY-FIFTH RESOLUTION)

Date of General Meeting granting the powers	4 June 2013
Duration of powers and expiry date	26 months
Expiry date	3 August 2015
Scope of powers *(in euros)*	10% of the share capital at the date of the General Meeting, *i.e.* €4,064,217 per year(1)
Use made of these powers during the financial year *(in euros)*	0
Remaining balance	€4,064,217

(1) This amount is deducted from the threshold set in the 27th resolution of the General Meeting of 4 June 2013.

AUTHORISATION GRANTED TO THE BOARD OF DIRECTORS TO SET THE ISSUE PRICE OF ORDINARY SHARES OR ANY SECURITIES CONVERTIBLE INTO ORDINARY SHARES, WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS, UP TO A MAXIMUM OF 10% OF THE CAPITAL PER YEAR (TWENTY-SIXTH RESOLUTION)

Date of General Meeting granting the powers	4 June 2013
Duration of powers and expiry date	26 months
Expiry date	3 August 2015
Scope of powers	10% of the share capital per period of twelve (12) months as well as the threshold set in the twenty-seventh resolution from which it is deducted
Use made of these powers during the financial year	-
Remaining balance	10% of the share capital per period of twelve (12) months as well as the threshold set in the twenty-seventh resolution from which it is deducted

OVERALL LIMIT ON ISSUE AUTHORISATIONS WITH OR WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS (TWENTY-SEVENTH RESOLUTION)

Date of General Meeting granting the powers	4 June 2013
Duration of powers and expiry date	26 months
Expiry date	3 August 2015
Scope of powers *(in euros)*	20,000,000(1)
Use made of these powers during the financial year *(in euros)*	-
Remaining balance	20,000,000

(1) Overall maximum nominal value of share capital increases that may be carried out on the basis of the 21st, 22nd, 23rd, 24th, 25th and 26th resolutions of the Combined General Meeting of 4 June 2013.

AUTHORISATION GRANTED TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY ISSUING ORDINARY SHARES RESERVED FOR GROUP EMPLOYEES WHO ARE MEMBERS OF A COMPANY SAVINGS PLAN (TWENTY-EIGHTH RESOLUTION)

Date of General Meeting granting the powers	4 June 2013
Duration of powers and expiry date	26 months
Expiry date	3 August 2015
Scope of powers *(in euros)*	3% of the share capital at the date of the General Meeting, *i.e.* 1,219,265(1)
Use made of these powers during the financial year *(in euros)*	-
Remaining balance	1,219,265

(1) This threshold is independent and separate from the capital increase thresholds potentially arising from the issue of ordinary shares or convertible securities authorised by the other resolutions of the General Meeting of 4 June 2013.

AUTHORISATION GRANTED TO THE BOARD OF DIRECTORS TO AWARD STOCK OPTIONS TO QUALIFYING COMPANY OFFICERS AND EMPLOYEES OF THE AXWAY GROUP (TWENTY-NINTH RESOLUTION)

Date of General Meeting granting the powers	4 June 2013
Duration of powers and expiry date	38 months
Expiry date	3 August 2016
Scope of powers	7% of the number of shares in the Company's capital on the date the options are awarded by the Board of Directors
Use made of these powers during the financial year	0.47%
Remaining balance	6.53%

AUTHORISATION GRANTED TO THE BOARD OF DIRECTORS TO GRANT BONUS SHARES, WHETHER EXISTING OR TO BE ISSUED, TO QUALIFYING COMPANY OFFICERS OR EMPLOYEES (THIRTIETH RESOLUTION)

Date of General Meeting granting the powers	4 June 2013
Duration of powers and expiry date	38 months
Expiry date	3 August 2016
Scope of powers	1% of the Company's share capital as of the date on which they are granted by the Board of Directors
Use made of these powers during the financial year *(in euros)*	-
Remaining balance	1% of the Company's share capital as of the date on which they are granted by the Board of Directors

AUTHORIZATION GIVEN TO THE BOARD OF DIRECTORS TO GRANT REDEEMABLE SHARE WARRANTS (BSAAR) TO COMPANY OFFICERS OR EMPLOYEES OF THE COMPANY OR ITS GROUP, WITHOUT SHAREHOLDER PREFERENTIAL SUBSCRIPTION RIGHTS (THIRTY-FIRST RESOLUTION)

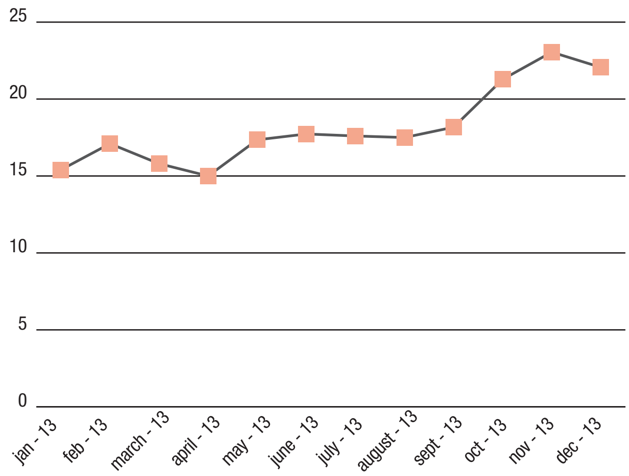
Date of General Meeting granting the powers	4 June 2013
Duration of powers and expiry date	18 months
Expiry date	3 December 2014
Scope of powers	7% of the Company's capital as of the date on which the Board of Directors makes it decision
Use made of these powers during the financial year *(in euros)*	-
Remaining balance	7% of the Company's capital as of the date on which the Board of Directors makes it decision

6 SHARE SUBSCRIPTION OPTIONS

The table below summarises the status as of 31 December 2013 of stock option plans granted by Axway to its employees:

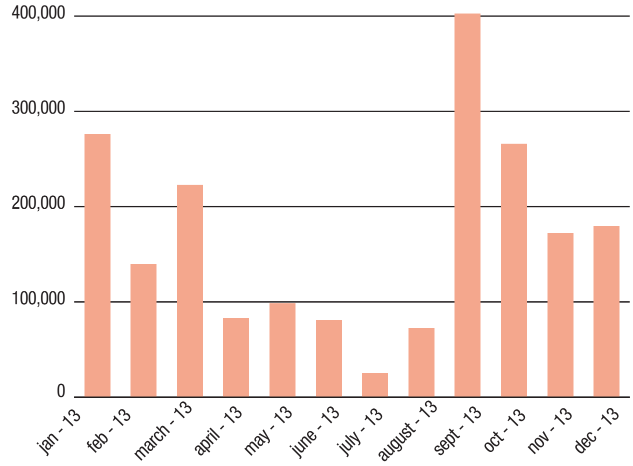
	Initial position		Option exercise period		Position at 1 January		Changes in the period, number of options:			Position at 31/12/2013	
Grant date	Number of options	Exercise price	Start date	Expiry date	Number of options	Exercise price	awarded	cancelled	exercised	Number of options	Exercise price
Plan No. 1 – 2007 stock option plan, maximum issue of 1,990,000 shares General Meeting of 23/05/2007											
22/11/07	17,000	€93.54	30/06/10	31/12/13	63,571	€14.34	-	-	63,571	-	€14.34
22/11/07	17,000	€93.54	30/12/12	31/12/13	29,667	€14.34	-	-	29,667	-	€14.34
06/11/08	8,500	€145.00	30/06/11	31/12/14	46,619	€17.11	-	-	33,904	12,715	€17.11
06/11/08	8,500	€145.00	30/12/13	31/12/14	46,619	€17.11	-	-	-	46,619	€17.11
Total	**51,000**				**186,476**		**-**	**-**	**127,142**	**59,334**	
Plan No. 2 – 2010 stock option plan, maximum issue of 1,990,000 shares General Meeting of 25/11/2010											
25/11/10	5,000	€145.00	30/06/12	31/12/15	16,952	€17.11	-	-	16,952	-	€17.11
Total	**5,000**				**16,952**		**-**	**-**	**16,952**	**-**	
Plan No. 3 – 2011 stock option plan, maximum issue of 1,033,111 shares General Meeting of 28/04/2011											
18/11/11	516,175	€14.90	18/05/14	18/11/19	473,350	€14.90	-	23,050	-	450,300	€14.90
18/11/11	516,175	€14.90	18/11/16	18/11/19	473,350	€14.90	-	23,050	-	450,300	€14.90
28/03/13	131,250	€15.90	28/09/15	28/03/21	-	€15.90	131,250	11,500	-	119,750	€15.90
28/03/13	131,250	€15.90	28/03/18	28/03/21	-	€15.90	131,250	11,500	-	119,750	€15.90
Total	**1,294,850**				**946,700**		**262,500**	**69,100**	**-**	**1,140,100**	
TOTAL OF PLANS	**1,350,850**				**1,150,128**		**262,500**	**69,100**	**144,094**	**1,199,434**	

7 SHARE PRICE



Source: NYSE Euronext Paris.

8 MONTHLY TRADING VOLUME



Source: NYSE Euronext Paris.

9 SHARE PRICE PERFORMANCE

High	Date of High	Low	Date of Low	Closing price	Average closing price	Average opening price	Number of securities	Capital *(in millions of euros)*
19,100	28 January 2013	12,900	14 January 2013	17,000	15,480	15,296	276,168	4.35
18,200	6 February 2013	16,100	28 February 2013	16,400	17,194	17,214	140,117	2.42
16,800	12 March 2013	14,520	25 March 2013	14,720	15,815	15,882	223,146	3.49
16,140	25 April 2013	14,100	4 April 2013	15,870	15,026	15,005	83,057	1.26
18,600	16 May 2013	15,900	2 May 2013	18,020	17,353	17,273	98,635	1.72
18,080	6 June 2013	16,860	27 June 2013	17,890	17,730	17,683	81,328	1.42
18,000	1 July 2013	17,200	29 July 2013	17,400	17,610	17,630	25,484	0.44
17,900	23 August 2013	16,700	12 August 2013	17,810	17,535	17,524	72,713	1.27
20,000	30 September 2013	17,380	16 September 2013	19,950	18,171	18,073	402,534	7.19
24,000	18 October 2013	19,450	4 October 2013	22,090	21,286	21,192	266,134	5.63
23,780	27 November 2013	21,950	1 November 2013	23,600	23,053	23,033	172,218	3.96
23,890	2 December 2013	20,800	18 December 2013	21,820	22,065	22,117	179,204	3.90

Source: NYSE Euronext Paris.

10 EARNINGS PER SHARE

The Board of Directors of Axway, in its meeting of 14 February 2014, resolved to ask the upcoming General Meeting to approve a dividend of €0.40 per share.

8

LEGAL AND ADMINISTRATIVE INFORMATION

1 AXWAY SOFTWARE AT A GLANCE

Name: Axway Software

Registered office: PAE Les Glaisins, 3 rue du Pré-Faucon, 74940 Annecy-le-Vieux, France

Telephone number of the Company's secondary establishment at Puteaux: +33 (0)1 47 17 24 24

Head office: 6811 East Mayo Blvd, Suite 400 – Phoenix, Arizona 85054, USA

Legal status: French *société anonyme*.

The Company and its activities are subject to French legislation, however other laws and/or regulations may apply locally and/or in other countries.

Date of incorporation: 28 December 2000, with a term of 99 years. The Company's term will therefore expire on 28 December 2099 unless it is dissolved before that date or the term is extended.

Corporate purpose: "The Company's purpose in France and abroad is:

- the publishing, sale, distribution, installation and maintenance of all types of software packages, the design and development of any software programme, the integration of any IT system, the sale of any IT systems and hardware, and the provision of any related services, training, consultancy and hosting;
- the Company's, direct or indirect, involvement, by any means, in any transaction connected with its purpose by means of the incorporation of new companies, transfer of assets, subscription or purchase of securities or ownership interests, merger or otherwise, creation, purchase, leasing, lease management of any business assets or premises; the registration, purchase, use or disposal of any processes and patents connected with these activities.

And, in general, all industrial, commercial, financial, procedural, movable property or real-estate transactions that may be directly or indirectly related to the corporate purpose or any similar or connected purpose."

(Article 2 of the Articles of Association).

Registration No.: 433,977,980 RCS Annecy.

Place where the legal documentation may be consulted: Axway Software, 26 rue des Pavillons, 92807 Puteaux CEDEX, France

Financial year: from 1 January to 31 December of each year.

Allocation and Distribution of earnings under the Articles of Association:

"The income statement summarises the income and expenses for the financial year and, after deductions for amortisation, depreciation and provisions, shows the profit for the year.

Any prior losses are deducted from the profit for the year, along with at least five per cent for allocation to the legal reserve. Said allocation shall no longer be mandatory when this reserve represents one-tenth of the capital.

Profit available for distribution comprises the profit for the year less any losses carried forward and amounts allocated to reserves, pursuant to the law and the Articles of Association, plus retained earnings.

The General Meeting may deduct from this profit all amounts that it deems appropriate for allocation to all optional, ordinary or extraordinary reserves, or to retained earnings.

The balance, if any, is apportioned by the General Meeting between all shareholders in proportion to the number of shares each owns.

Furthermore, the General Meeting may resolve to distribute sums deducted from available reserves, by expressly indicating the reserves from which the deductions are to be made. However, dividends are first deducted from the profit for the year.

Aside from in the event of a capital reduction, no distribution may be carried out by shareholders where the equity is, or would subsequently be, under the amount of capital plus reserves that by law or pursuant to the Articles of Association cannot be distributed. Revaluation surpluses may not be distributed. Some or all of them may be incorporated into the capital.

Any losses shall, following approval of the financial statements by the General Meeting, be carried forward to be set against earnings in subsequent financial years, until fully used up."

(Article 37 of the Articles of Association).

2 BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

Article 14 – Board of Directors

The Company is administered by a Board of Directors comprising a minimum of three members and a maximum of 18, subject to the exception provided for by law in the event of a merger.

During the life of the Company, the directors are appointed, reappointed or dismissed by the Ordinary General Meeting. They are always eligible for re-election.

Directors serve a four year term of office, expiring at the end of the Ordinary General Meeting called to approve the financial statements for the financial year then ended and held in the year in which their term of office comes to an end.

No-one can be appointed director if, having exceeded the age of 85, his/her appointment results in more than one third of Board members exceeding that age. Once the age limit is reached, the oldest director is deemed to have resigned from office.

Directors may be natural persons or legal persons. When a legal person is nominated, he appoints a permanent representative who is subject to the same conditions, obligations and liabilities as a natural person director, without prejudice to the joint and several liability of the legal entity he represents.

In the event of one or more directors' positions becoming vacant, the Board of Directors may, between two General Meetings, carry out temporary appointments in accordance with the conditions set forth in Article L. 225-24 of the French Commercial Code. The director appointed to replace another performs his duties for the remainder of his predecessor's term of office.

Where the number of directors falls below the legal minimum, the remaining directors must immediately call an Ordinary General Meeting in order to appoint further Board members.

An employee of the Company may only be appointed as a director if his employment contract corresponds to an actual post. The number of directors tied to the Company by an employment contract cannot exceed one third of the directors in office.

Article 15 – Organisation of the Board of Directors

The Board of Directors elects from among its members a Chairman, who must be a natural person in order for the appointment to be valid. The Board determines his remuneration.

The Chairman is appointed for a duration that cannot exceed his term of office as a director. He is eligible for re-election. The Board of Directors can dismiss him at any time.

No one over the age of 85 can be appointed Chairman. If the Chairman in office has reached this age, he is deemed to have resigned from office.

The Board of Directors may appoint one or two Vice-Chairmen from among the directors.

It can also appoint a secretary who need not be a director or shareholder.

In the event of the Chairman's absence, Board meetings are chaired by the eldest Vice-Chairman. Failing this, the Meeting shall elect its own Chairman.

Article 16 – Deliberations of the Board of Directors

The Board of Directors meets as often as the Company's interests require it to do so, at the request of its Chairman. The Chief Executive Officer, or if the Board has not met for more than two months, at least one third of the directors, may request the Chairman, who is bound by such request, to convene a meeting of the Board of Directors on the basis of a predetermined agenda.

Meeting notices may be given by any means, even verbally, in principle three days in advance. They must carefully detail the items on the agenda. They may even be given immediately where all directors are present or represented.

General Meetings shall take place at the registered office or in any other place specified in the convening notice.

The Board can only validly deliberate in the presence of at least half the directors. Decisions are taken on the basis of a majority of votes of members present or represented.

In the event of a tie in voting, the Chairman has the casting vote.

An attendance sheet is signed by the directors taking part in the Board meeting, either in person or by proxy.

Policies and procedures shall be defined.

The policies and procedures may include a provision whereby directors who participate in the Meeting by videoconference or any other means of telecommunication that enables them to be identified as required by law, shall be considered to be present for the purpose of calculating the quorum and majority.

This provision does not apply should the following decision be adopted:

- the closing of the annual accounts and consolidated accounts and the drafting of the management report and Group Management report.

The deliberations of the Board of Directors are recorded in the minutes, which are prepared in accordance with the legal provisions in force and signed by the Meeting Chairman and at least one director. In the absence of the Meeting Chairman, it is signed by at least two directors.

The copies or extracts of the minutes are certified by the Chairman of the Board of Directors, the Chief Executive Officer, the director temporarily carrying out the duties of Chairman or an officer authorised for this purpose.

Where there is a Workers' Council, representatives of this Committee, appointed pursuant to the provisions of the French Labour Code, must be invited to all meetings of the Board of Directors.

Article 17 – Powers of the Board of Directors

The Board of Directors determines the overall business strategy of the Company and supervises its implementation. It examines any and all matters related to the efficiency and effectiveness of business operations and reaches decisions about any and all issues concerning the Company, within the limits of the corporate purpose and except for those matters which, by law, can only be decided on by the shareholders in a General Meeting.

In its dealings with third parties, the Company is bound even by actions of the Board of Directors falling outside the scope of the corporate purpose, unless it can show that the third party knew that the action exceeded the corporate purpose or could not but realise in the circumstances, the mere publication of the Articles of Association not constituting such proof.

The Board of Directors undertakes all the checks and verifications it deems necessary. Each director is entitled to receive all the documents and information necessary to carry out his duties.

The Board of Directors may confer on any and all proxy-holders of its choice, any and all delegations of powers within the limits of those defined by the law and the present Memorandum and Articles of Association.

It can resolve to set up committees to look into matters referred either by itself or its Chairman.

Article 18 – Powers of the Chairman of the Board of Directors

The Chairman of the Board of Directors organises and directs the work of the Board of Directors, on which he reports to the General Meeting. He ensures the smooth running of the Company's managerial bodies and, in particular, that the directors are able to carry out their duties.

Article 19 – Powers of the officers

Operating procedures

Responsibility for the Company's executive management is assumed by either the Chairman of the Board of Directors or by another natural person appointed by the Board of Directors and holding the title of Chief Executive Officer.

The Board of Directors may choose between these two modes of executive management at any time and, at the very least, upon expiry of the term of office of the Chief Executive Officer or of the Chairman of the Board of Directors where the latter also holds the position of Company Chief Executive Officer.

The decision of the Board of Directors relating to the choice of management method is taken on the basis of a majority of directors present or represented. The shareholders and third parties are informed of this choice in the conditions provided for by the regulations in force.

The choice made by the Board of Directors applies for an unlimited period.

Chief Executive Officer

The Chief Executive Officer is a natural person who may or may not be a director. The term of office of the Chief Executive Officer is determined by the Board of Directors at the time of his appointment. However, if the Chief Executive Officer is also a director, his term of office cannot exceed that of his directorship.

No one over the age of seventy may be appointed Chief Executive Officer. Once the Chief Executive Officer has reached the age limit, he or she is deemed to have resigned from office.

The Chief Executive Officer can be dismissed at any time by the Board of Directors. In the event of unfair dismissal, he may be entitled to damages, except when he also performs the function of Chairman of the Board of Directors.

The Chief Executive Officer is vested with the broadest powers to act in all circumstances on behalf of the Company. He exercises his powers within the limits of the corporate purpose and subject to those expressly granted to Shareholders' Meetings and the Board of Directors by the law.

He represents the Company in its dealings with third parties. The Company is bound even by the actions of the Chief Executive Officer falling outside the scope of the corporate purpose, unless it can show that the third party knew that such action exceeded the corporate purpose or could not but realise it in the circumstances, the mere publication of the Articles of Association not constituting such proof.

Officers

On a proposal from the Chief Executive Officer, whether this function is performed by the Chairman of the Board of Directors or by another person, the Board may appoint one or more natural persons to assist the Chief Executive Officer, with the title of officer.

The Board of Directors may or may not choose the officers from among the directors up to a maximum of five.

The age limit is set at 70. Once an officer has reached this age limit, he or she is deemed to have resigned from office.

The length of the term of office of the officers is determined when s/he is appointed although it may not, in any event, exceed that of his/her powers.

The officers may be dismissed at any time by the Board of Directors on a proposal from the Chief Executive Officer. In the event of unfair dismissal, the officers may be entitled to damages.

When the Chief Executive Officer ceases to carry out or is prevented from carrying out his duties, the officers, unless decided otherwise by the Board of Directors, retain their duties and remits until the appointment of a new Chief Executive Officer.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers conferred on the officers. In their dealings with third parties, the officers have the same powers as the Chief Executive Officer.

Article 20 – Remuneration of directors and officers

1. The General Meeting may award directors a fixed annual sum in the form of directors' fees, which are treated as operating expenses; the amount remains unchanged until further notice. The apportionment of the sum between directors is determined by the Board of Directors.
2. The Board of Directors determines the remuneration of the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer. Such remuneration may be fixed and/or variable.
3. For assignments or mandates entrusted to directors, the Board of Directors may also award exceptional payments that will be submitted for the approval of the Ordinary General Meeting.

The directors may not receive from the Company remuneration, whether permanent or not, other than that set out in the previous paragraphs, unless they are tied to the Company by an employment contract in conditions authorised by the law.

Article 21 – Concurrently held mandates

A single individual may not serve as a director or Supervisory Board member of more than five French-based public listed companies (*sociétés anonymes*).

By way of exception to the above, appointments to the Board of Directors or to the Supervisory Board of companies controlled by the Company within the meaning of Article L. 233-16 of the French Commercial Code are not counted.

For purposes of the above provisions, appointments to the Boards of Directors of non-listed companies that are controlled by a single company within the meaning of Article L. 233-16 of the French Commercial Code are considered a single appointment, subject to the number of appointments held in this manner being limited to five.

A single individual may not serve as a Chief Executive Officer, Management Board member or sole Chief Executive Officer of more than one French-based public listed company (*sociétés anonymes*). By way of exception, a single individual may serve a second appointment as Chief Executive Officer or appointment as member of a Management Board or sole Chief Executive of a company that is controlled within the meaning of Article L. 233-16 of the French Commercial Code by the Company of which he or she is the Chief Executive Officer. Another mandate of Chief Executive Officer, Management Board member or sole Chief Executive Officer can be held in one company, provided such company's shares are not traded on a regulated market.

Any natural person in breach of the provisions in respect of concurrently held mandates must relinquish one of the mandates within three months of his appointment, or the mandate in question within three months of the event that led to the lapse of one of the conditions defined by law in the case of exceptions. On expiry of the three-month period, the person is automatically dismissed and must return the remunerations received, although the validity of the deliberations in which he took part is not called into question.

3 RIGHTS, PRIVILEGES AND RESTRICTIONS ATTACHED TO EACH CATEGORY OF SHARES

Article 12 – Rights and obligations attaching to shares

1. Each share gives entitlement to a portion of the earnings, corporate assets and liquidation surplus in proportion to the percentage of the capital it represents.

   It moreover carries voting and representation rights at General Meetings, as well as the right to be kept informed about the Company's performance and to receive certain corporate documentation when and in the manner provided for by law and in the Articles of Association.
2. Shareholders are only liable for corporate liabilities to the amount of their contributions.

The rights and obligations stay with the share regardless of who owns it.

Ownership of a share implies acceptance of the Company's Articles of Association and the decisions of the General Meeting.

3. Where necessary to hold a certain number of shares to enjoy a particular right, owners not holding that number shall make it their business to group together, or potentially buy or sell the required number of shares.

Article 13 – Indivisibility of shares – Bare ownership – Beneficial interest

1. Shares are indivisible from the Company's perspective.

   Join owners of undivided shares are represented at General Meetings by one of them or by a sole agent. In the event of a dispute, the agent is appointed by the courts at the request of the joint owner who acts first.

2. Voting rights belong to beneficial owners in Ordinary General Meetings and to bare owners in Extraordinary General Meetings. Nevertheless, shareholders may agree to share voting rights at General Meetings in any way they see fit. The Company is notified of the agreement by registered letter and shall be required to apply this agreement for any meeting held any time from one month following the sending of this letter.

   Nevertheless, the bare owner is entitled to participate in all General Meetings. His/her voting rights can never be completely eliminated. The beneficial owner cannot be denied the right to vote on decisions involving the allocation of earnings.

   Voting rights of pledged securities are exercised by the owner.

4 GENERAL MEETINGS

Article 25 – General Meetings

The decisions collectively made by the shareholders shall be taken in General Meetings characterised either as Ordinary General Meetings, Extraordinary General Meetings or Special General Meetings depending on the nature of the decision to be taken.

Special General Meetings are called for the holders of shares of a given category to decide upon any changes to the rights attached to shares in this category.

The decisions taken by General Meetings are binding for all the shareholders, including absentee and dissenting shareholders and those lacking legal capacity.

Article 26 - Venue and procedure for convening General Meetings

General Meetings are called and held pursuant to the terms and conditions laid down by law.

General Meetings shall take place at the registered office or in any other place specified in the convening notice.

Article 27 – Agenda

The Meeting agenda is set out in meeting notices and letters of invitation. It is drawn up by the party calling the Meeting.

A shareholder or group of shareholders, representing at least the legally determined percentage of capital and acting in the manner and timeframes provided by law, may have draft resolutions included on the Meeting agenda.

The workers' council may also request the inclusion of proposed resolutions in the agenda.

The General Meeting may not decide upon any issues that are not on the agenda. It may, however, at any time and in any circumstances, dismiss and replace one or more directors.

Article 28 – Rights to shareholder information – Disclosure obligations

All shareholders are entitled to receive all the information necessary for them to take an informed decision relating to the management and situation of the Company.

The documentation required and its availability to shareholders is laid down by the law.

Any shareholder who holds more than 3% or more than 4% of the Company's capital shall inform the Company in the same manner and based on the same methods of calculation as required with respect to legal thresholds.

Article 29 – Access to General Meetings – Powers – Composition

The General Meeting shall be composed of all shareholders, regardless of the number of shares they hold, who attend the Meeting either in person or by proxy.

Every shareholder has the right to participate in General Meetings as long as he or she proves, pursuant to legal requirements, that his or her shares are registered in his or her name or in that of the intermediary acting on his or her behalf pursuant to the seventh paragraph of Article L. 228-1 of the French Commercial Code at 00:00, Paris time, on the third business day preceding the Meeting, either in the registered share accounts kept by the Company or in the bearer share accounts kept by the authorized intermediary.

A shareholder may be represented in the manner established by law and regulatory provisions, with the proxy being required to demonstrate his/her powers. If a shareholder does not name a proxy-holder in a form of proxy, the Chairman of the General Meeting shall vote in favour of proposed resolutions submitted for approval by the Board of Directors, and against any other proposed resolution. For any other vote, the shareholder shall choose a proxy-holder who agrees to vote as directed by the shareholder.

The legal representatives of legally incapable shareholders and the persons representing legal entities that hold shares in the Company may attend General Meetings whether they are shareholders or not.

If so decided by the Board of Directors when convening the Meeting, shareholders may also take part by videoconference or any other means of telecommunication, including the internet, that permits them to be identified as provided by the law.

Shareholders who participate in the Meeting *via* videoconference or any other means of telecommunication that enables them to be identified as required by law shall be considered to be present for the purpose of calculating the quorum and majority.

Shareholders may vote remotely by filling in a form sent to the Company, in the manner provided for by law and regulation. To be accepted, this form must reach the Company at least three days prior to the date of the General Meeting.

Two members of the Workers' Council, to be named by the council in compliance with the law, may attend General Meetings. They must, upon their request, be heard when decisions requiring shareholder unanimity are voted.

Article 30 – Attendance sheet – Officers – Minutes

An attendance sheet is kept at every Meeting and contains the legally required information and signatures.

The General Meeting shall be chaired by the Chairman of the Board of Directors or, in the Chairman's absence, by a Vice-Chairman. Failing this, the Meeting shall elect its own Chairman.

The duties of vote-teller shall be performed by the two shareholders, present and accepting such duties, who hold the largest number of shares, either on their own behalf or as proxy-holders.

The officers of the Meeting are responsible for checking, certifying and signing the attendance sheet, ensuring the discussions are properly held, settling any differences that may arise, counting the votes cast and ensuring they are cast properly and preparing the minutes.

The officers of the Meeting thus appointed shall designate a secretary, who may be a shareholder or not.

The minutes are kept and copies or extracts of these minutes are delivered and certified in accordance with the law.

Article 31 – Quorum – Voting rights – Number of votes

In Ordinary and Extraordinary General Meetings, the quorum is calculated on the basis of all the shares in the share capital and, in Special Meetings, on all shares in the class in question, less any shares denied voting rights by law.

In the case of remote voting, only those forms received by the Company by the deadline specified above are accepted for the purpose of calculating the quorum.

The voting rights attached to shares are proportional to the share capital they represent. With the same par value, each capital share or dividend share gives entitlement to one vote.

Article 32 – Ordinary General Meetings

An Ordinary General Meeting is a meeting called to take decisions which do not amend the Memorandum and Articles of Association.

It shall be held at least once a year, in the conditions provided for by law, to approve the accounts for the financial year then ended.

Decisions are valid only if, when the Meeting is convened for the first time, the shareholders attending the Meeting or represented by proxy or having voted by mail represent at least one fifth of the total voting rights. No quorum is required for a second meeting.

The Meeting makes decisions by simple majority of the votes of the shareholders present or represented by proxy, including the votes of shareholders having voted by mail or remotely.

Article 33 – Extraordinary General Meetings

The Extraordinary General Meeting alone shall be authorised to amend the Memorandum and Articles of Association. However, it may not increase shareholders' commitments, subject to transactions arising from any grouping together of shares, duly and properly carried out.

Decisions are valid only if the shareholders attending the Meeting or represented by proxy or having voted by mail represent at least one quarter of the total voting rights, in the case of a first meeting, and one fifth of the total voting rights in the case of a second meeting. In the event of this quorum not being reached, the second meeting may be deferred to a date not more than two months later than the date on which it was originally convened; the quorum of one-fifth is also required for this second meeting.

The Meeting makes decisions by a majority of two-thirds of the votes of the shareholders present or represented by proxy, including the votes of shareholders having voted by mail or remotely, except in the event of a legal exemption.

Article 34 – Special General Meetings

When there are several categories of shares, no changes may be made to the rights of a given category of shares unless approved by an Extraordinary General Meeting open to all shareholders and also by a Special General Meeting of the holders of the category of shares in question.

Decisions taken by Special General Meetings are valid only if the shareholders attending the Meeting or represented by proxy represent at least one-third of the total voting rights, in the case of a first meeting, and one-fifth of the total voting rights in the case of a second meeting.

In all other respects, Special General Meetings are convened and deliberate in the same way as Extraordinary General Meetings.

5 PREPARATION AND AUDITING OF THE REGISTRATION DOCUMENT AND THE INFORMATION PRESENTED THEREIN

Name and position of the person responsible for the Registration Document

Christophe Fabre, Chief Executive Officer

Information Officer

Patrick Donovan, Chief Financial Officer

Axway Software, 6811 East Mayo Blvd, Suite 400, Phoenix, Arizona 85054, USA

Persons responsible for auditing the financial statements

Statutory Auditors

Auditeurs et Conseils Associés

31 rue Henri-Rochefort, 75017 Paris, France

Represented by François Mahé

Office to expire at the General Meeting convened to approve the financial statements for the 2018 financial year.

First appointed: May 2007.

Auditeurs et Conseils Associés is a member of the Paris Regional Statutory Auditors' Association (*Compagnie Régionale des Commissaires aux Comptes de Paris*).

Cabinet Mazars

61 rue Henri-Regnault, 92400 Courbevoie

Represented by Christine Dubus

Office to expire at the General Meeting convened to approve the financial statements for the 2018 financial year.

First appointed: May 2007.

Mazars is a member of the Versailles Regional Statutory Auditors' Association (*Compagnie Régionale des Commissaires aux Comptes de Versailles*).

Alternate Auditors

FINEXSI AUDIT

14 rue de Bassano, 75116 Paris

Office to expire at the General Meeting convened to approve the financial statements for the 2018 financial year.

First appointed: June 2013.

Finexsi is a member of the Paris Regional Statutory Auditors' Association (*Compagnie Régionale des Commissaires aux Comptes de Paris*).

Jean-Louis Simon

61 rue Henri-Regnault, 92400 Courbevoie

Office to expire at the General Meeting convened to approve the financial statements for the 2018 financial year.

First appointed: May 2007.

Mr Jean Louis Simon is a member of the Paris Regional Statutory Auditors' Association (*Compagnie Régionale des Commissaires aux Comptes de Versailles*).

6 PROVISIONAL REPORTING TIMETABLE

Publication Q1 2014: Monday 28 April 2014

General Meeting: Wednesday 4 June 2014

Publication H1 2014: Wednesday 30 July 2014

Publication half-yearly report: Friday 29 August 2014

7 DOCUMENTS AVAILABLE FOR CONSULTATION

Axway Software's Articles of Association, the minutes of General Meetings and the reports of the Board of Directors to the General Meetings, Statutory Auditors' reports, the financial statements for the last three financial years and, more generally, all documents sent to or made available to the shareholders pursuant to the law may be consulted at Axway Software SA's secondary establishment.

In addition, certain documents relating to Axway Software SA are available on the Company's website at the following address: www.finance.axway.fr

Person responsible for shareholder relations

Patrick Gouffran, Director of Financial Communications

Axway Software, 26 rue des Pavillons, 92807 PUTEAUX Cedex, France

Tel: +33 (0)1 47 17 24 65

Email: pgouffran@axway.com

CERTIFICATION OF THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

I declare, after having taken all reasonable measures for this purpose, that the information contained in this Registration Document is, to the best of my knowledge, in accordance with the facts and it contains no omission likely to affect its meaning.

I hereby declare that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and of all entities within the scope of consolidation, and that the management report appearing on page 77 gives a true and fair view of the business performance, results and financial position of the Company and of all entities within the scope of consolidation, as well as a description of the main risks and uncertainties to which they are exposed.

I have obtained a letter from the Statutory Auditors certifying that they have verified, in accordance with professional standards and doctrine applicable in France, the financial and accounting information provided in this Registration Document and that they have read the document as a whole.

The Statutory Auditors made an observation on the 2011 consolidated financial statements; the Statutory Auditors' report can be read on page 150 of the Registration Document filed under number R. 12-007 on 27/04/2012.

Phoenix, 24 April 2014

Christophe Fabre

Chief Executive Officer

TABLE OF CONCORDANCE

In order to enhance the readability of the annual report filed as a Registration Document, the following theme-based table allows the reader to identify the headings required by Commission Regulation (EC) No. 809/2004 of 29 April 2004.

n/a: not applicable.

TABLE OF CONCORDANCE OF SOCIAL AND ENVIRONMENTAL INFORMATION

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