INTERIM FINANCIAL REPORT **FOR THE SIX-MONTH PERIOD**

ENDED 30 JUNE 2014

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HALF YEAR MANAGEMENT REPORT

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KEY EVENTS IN THE FIRST HALF OF 2014

Our activities in the first half of 2014 ended with a growth in total revenues of 8.0%. The slowdown in demand of the infrastructure market penalized our licensing activity, particularly in the United States. This limited license revenue was impacted by the lack of "major contract" wins of a significant amount. The acquisition of Systar in the second quarter 2014, in terms of synergies, has added an essential element of our strategic technologies, OI (Operational Intelligence) technology that has been welcomed by customers as a real enrichment to our offer and the product synergies are apparent with Axway's range of products. Our customers also continue to renew their maintenance contracts and have been purchasing more comprehensive levels of service in order to protect their investments using our solutions.

In the second quarter of 2014, Systar was integrated into our turnover and our financial reports. Goodwill and intangible assets of the company Systar (consolidated as of 1 April 2014) have been estimated waiting for the conclusions of the independent expert appointed to conduct the valuation of the fair value of assets and liabilities.

BUSINESS PERFORMANCE IN THE FIRST HALF OF 2014

(in millions of euros)	1st half 2014	1st half 2013	2013 Pro Forma	Total Growth	Organic Growth(1)
France	42.7	34.8	38.6	22.8%	10.7%
Rest of Europe	29.0	26.7	26.8	8.6%	8.2%
America's	38.9	41.6	40.3	-6.6%	-3.6%
Asia/Pacific	4.3	3.2	3.0	31.9%	43.5%
AXWAY	**114.9**	**106.4**	**108.7**	**8.0%**	**5.7%**

(1) At comparable perimeter and exchange rate.

The 2014 first half consolidated revenues of Axway totaled €114.9 million, representing organic growth of 5.7% and a total growth of 8.0% compared to the first half of 2013. The activity remains under pressure in the United States where there is reduced demand on infrastructure projects. All other regions experienced a good level of both total and organic growth compared to 2013. Revenue growth is driven mainly by France, which continues its excellent development. In Europe, a good level for Ireland but less sustained growth in Germany and the United Kingdom. Our APAC region revenues grew significantly in all activities.

(in millions of euros)	1st half 2014	1st half 2013	2013 Pro Forma	Total Growth	Organic Growth(1)
Licenses	27.8	27.0	27.4	3.2%	1.7%
Maintenance	57.4	52.4	53.6	9.5%	7.2%
Services	29.7	27.0	27.7	9.9%	6.9%
AXWAY	**114.9**	**106.4**	**108.7**	**8.0%**	**5.7%**

(1) At comparable perimeter and exchange rate.

In the first half of 2014, Axway grew license revenue by 1.7% organic and total of 3.2% compared to first half 2013. Lower performance of licenses activity in relation to maintenance and operations services resulted from the decline in activity in the United States, which is evidenced by the absence, in the first half, of signatures on large contracts. Services revenues continued to recover and grew 6.9% organically (9.9% total growth) despite the slowdown in license revenues that weakened this activity. Maintenance revenue, which now represents 50% of total turnover meanwhile rose 7.2% organic and 9.5% in total. This growth is common to all regions, which incorporates several actions to increase and sustain this kind of income: improving the quality of service, generalization 24x7 contracts, sale of extensions support.

RESULTS FOR THE FIRST HALF OF 2014

In the first half of 2014, operating profit of activity decreased to €5.4 million, or 4.7% of our revenues and a decrease of 2.0 points (€1.7 million) compared to the first half of 2013 which showed a margin of 6.7%, or €7.1 million. This decrease was primarily due to an expected increase in costs related to augmenting sales team and product in the first half of 2014, while the planned American license revenues expected to cover these additional costs, have not been done.

	1st half 2014		1st half 2013	
	(in M€)	(% Rev)	(in M€)	(% Rev)
Total revenue	**114.9**	**100.0%**	**106.4**	**100.0%**
Total costs of sales	39.6	34.5%	36.3	34.1%
Gross profit	**75.3**	**65.5%**	**70.1**	**65.9%**
Operating expenses				
Sales and marketing	37.2	32.4%	33.9	31.9%
Research and development	20.2	17.6%	17.7	16.6%
General and administrative	12.5	10.9%	11.4	10.7%
Total operating expenses	**69.9**	**60.8%**	**63.0**	**59.2%**
Profit on operating activities	**5.4**	**4.7%**	**7.1**	**6.7%**

As a percentatge of revenue, the margin licenses, maintenance and services have remained relatively constant, only the mix between these three components varied from one period to another.

Total operating expenses represented 60.8% of revenues in the first half of 2014 against 59.2% in the first half of 2013, an increase of €6.9 million or 1.6% of revenues. This cost increase in constant currency is due to the integration of Systar and our continued investment in key functions.

Selling and marketing increased by 0.5% of revenues (€3.3 million) as a result of the inclusion of Systar on one hand and strengthening the sales team with the recruitment of several senior managers, on the other.

The research and development costs have increased with the increase of expenses following the acquisition Systar, and our response to changes in demand on historical segments Middleware (MFT/B2B/*Intégration*) which confirms the need to involve emerging technologies but extremely dynamic such as API and Operational Intelligence. We invested spent 17.6% of our total revenue in the first half of 2014, against 16.6% in 2013.

General expenses increased by €1.1 million in value but remained constant as a percentage of income. The increase was primarily due to our continued investment in Human Resources functions and IT resources.

Financial situation of the Group

At 30 June 2014, the financial position of Axway remains strong. The half ended with a cash balance greater than €41 million and a net debt position of €19.7 million (net of treasury). Banking covenants are respected and all remain below the contractual thresholds with our banks. Shareholders' equity amounted to €255.3 million. This includes the payment of a dividend of €8.2 million. Bank debt at 30 June 2014 was €60.9 million integrating the acquisition financing of Systar in April 2014.

Cash flows generated from operations before tax and cost of debt remains strong at €7.0 million for the first half of 2014 compared to €8.4 million for the first half of 2013. As a high proportion of our maintenance invoices are issued at the beginning of the year, the net change in working capital in the first half remained high at €21.3 million resulting in a net cash generated from operating activities of €27.7 million for the first half of 2014. Overall, our net cash taking into account the financing of the acquisition Systar and repayment of loans outstanding was reduced by €7.9 million in the first half of 2014.

MAIN RISKS AND UNCERTAINTIES FOR THE SECOND HALF OF 2014

The level and nature of risks that the Group is subject are not changed compared to the risk factors set out on pages 87 to 96 of the reference document 2013.

However, the evolution of the economy is one of the main factors influencing the course of business during the second half.

PERSPECTIVES FOR THE SECOND HALF OF 2014

To date, there is no known event that may have a significant impact on the financial position of Axway.

Axway for 2014 confirms the prospect of positive organic growth and an operating activity margin similar to that released in the year 2013.

EVENTS SUBSEQUENT TO THE END OF THE PERIOD

Between 1 July 2014 and the date of the Board, no significant events likely to impact the financial statements presented have occurred.

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INCOME STATEMENT

		1st half 2014	1st half 2013
(in thousands of euros)	**Notes**	**Amount**	**Amount**
Revenue	**3,4**	**114,870**	**106,366**
Staff costs	5	-81,923	-72,738
External expenses		-28,529	-26,561
Taxes and duties		-1,164	-927
Depreciation and amortisation, Provisions and impairment		-2,571	-2,384
Other operating expenses and income from recurring operations		4,725	3,374
Operating profit on business activity		**5,408**	**7,130**
as % of revenue excl. VAT		***4.7%***	***6.7%***
Share-based payment expense		-437	-645
Amortisation of allocated intangible assets		-1,991	-1,898
Profit from recurring operations		**2,980**	**4,587**
as % of revenue excl. VAT		***2.6%***	***4.3%***
Other operating income and expenses	6	-968	-5,177
Operating profit		**2,012**	**-590**
as % of revenue excl. VAT		***1.8%***	***-0.6%***
Cost of net financial debt	7	-407	-204
Other financial income and expense	7	-276	-275
Tax charge	8	1,633	10,881
Net profit for the period from continuing operations		**2,962**	**9,812**
Profit after tax from discontinued operations		-	-
Attributable to Group		**2,962**	**9,812**
as % of revenue excl. VAT		***2.6%***	***9.2%***
Minority interests		203	-
NET PROFIT		**2,759**	**9,812**

Earnings per share

(in euros)	**Notes**	**1st half 2014**	**1st half 2013**
Basic earnings per share	**9**	**0.13**	**0.48**
Fully diluted earnings per share	**9**	**0.13**	**0.48**

OTHER COMPREHENSIVE INCOME STATEMENT ITEMS

(in thousands of euros)	**1st half 2014**	**1st half 2013**
Net profit	**2,962**	**9,813**
Other comprehensive income statement:		
Actuarial gains and losses on pension plans	-720	-6
Tax impact	396	2
Subtotal of items not reclassifiable to profit or los	**-324**	**-4**
Translation differential	1,120	871
Change in the value of derivatives	-145	298
Tax impact	45	-110
Subtotal of items reclassifiable to profit or loss	**1,020**	**1,059**
Total other comprehensive income statement	**696**	**1,055**
TOTAL COMPREHENSIVE PROFIT	**3,658**	**10,868**
Minority interests	203	-
Attributable to Group	**3,455**	**10,868**

BALANCE SHEET

ASSETS *(in thousands of euros)*	**Notes**	**30/06/2014**	**31/12/2013**
Goodwill	10	226,418	189,284
Intangible assets		41,823	28,847
Property and equipment		6,902	6,277
Financial assets		18,305	15,403
Deferred tax assets		38,735	30,287
Other non-current assets		**332,183**	**270,098**
Inventories		168	433
Trade accounts receivable	11	65,569	64,432
Other current receivables		13,356	7,858
Cash and cash equivalents		41,305	49,176
Current assets		**120,398**	**121,899**
TOTAL ASSETS		**452,581**	**391,997**

LIABILITIES AND EQUITY *(in thousands of euros)*	**Notes**	**30/06/2014**	**31/12/2013**
Share capital		41,099	40,930
Capital reserves		108,655	106,650
Consolidated reserves		102,787	75,197
Profit for the period		2,759	35,595
Equity – Group share		**255,300**	**258,372**
Minority interests		**1**	**1**
TOTAL EQUITY	**12**	**255,301**	**258,373**
Financial debt – long-term portion	13	51,098	28,519
Deferred tax liabilities		8,647	5,351
Other non-current liabilities		13,389	10,152
Non-current liabilities		**73,134**	**44,022**
Financial debt – short-term portion	13	13,043	9,472
Trade accounts payables		8,336	6,306
Other current liabilities	14	102,767	73,824
Current liabilities		**124,146**	**89,602**
TOTAL LIABILITIES		**197,280**	**133,624**
TOTAL LIABILITIES AND EQUITY		**452,581**	**391,997**

CHANGES IN SHAREHOLDERS' EQUITY

(in thousands of euros)	Share captal	Capital reserves	Treasury shares	Reserves and consolidated profit	Other comprehensive income statement items	Total attributable to Group	Minority interests	Total
Equity at 30/06/2012	**40,710**	**104,445**	**-665**	**86,704**	**7,529**	**238,723**	**1**	**238,724**
Capital transactions	220	1,501	-	-	-	1,721	-	1,721
Share-based payments	-	704	-	-	-	704	-	704
Transactions in treasury shares	-	-	56	59	-	115	-	115
Earnings appropriation	-	-	-	-	-	-	-	-
Changes in scope of consolidation	-	-	-	-	-	-	-	-
Others movements	-	-	-	-	-	-	-	-
Transactions with shareholers	**220**	**2,205**	**56**	**59**	**-**	**2,540**	**-**	**2,540**
Profit for the year	-	-	-	25,782	-	25,782	-	25,782
Other comprehensive income statement	-	-	-	-	-8,673	-8,673	-	-8,673
Total comprehensive profit for the year	**-**	**-**	**-**	**25,782**	**-8,673**	**17,109**	**-**	**17,109**
Equity at 31/12/2012	**40,930**	**106,650**	**-609**	**112,545**	**-1,144**	**258,372**	**1**	**258,373**
Capital transactions	169	897	-	-50	-	1,016	-	1,016
Share-based payments	-	433	-	-	-	433	-	433
Transactions in treasury shares	-	-		22	-	22	-	22
Earnings appropriation	-	676	-	-8,886	-	-8,210	-	-8,210
Changes in scope of consolidation	-	-	-	9	-	9	-	9
Others movements	-		-	204	-1	203		203
Transactions with shareholers	**169**	**2,006**	**-**	**-8,701**	**-1**	**-6,527**	**-**	**-6,527**
Profit for the year	-	-	-	2,759	-	2,759	-	2,759
Other comprehensive income statement	-	-	-	-	696	696	-	696
Total comprehensive profit for the year	**-**	**-**	**-**	**2,759**	**696**	**3,455**	**-**	**3,455**
EQUITY AT 30/06/2013	**41,099**	**108,656**	**-609**	**106,603**	**-449**	**255,300**	**1**	**255,301**

CASH FLOW STATEMENT

(in thousands of euros)	1st half 2014	1st half 2013
Consolidated net profit (including minority interests)	**2,962**	**9,813**
Net increase in depreciation, amortisation and provisions	4,602	8,091
Unrealised gains and losses relating to changes in faire value	121	310
Share-based payment expense	437	644
Other calculated income and expense	-37	-28
Gains and losses on disposal	114	73
Cash from operations after cost of net debt and tax	**8,199**	**18,903**
Net cost of financial debt	407	395
Income taxes (including deferred tax)	-1,633	-10,881
Cash from operations before cost of net debt and tax (A)	**6,973**	**8,417**
Tax paid (B)	-627	-1,206
Changes in operating working capital requirements (including liabilities related to employee benefits) (C)	21,324	19,755
Net cash from operating activities (D) = (A+B+C)	**27,670**	**26,966**
Purchase of tangible and intangible fixed assets	-4,160	-1,146
Proceeds from sale of tangible and intangible fixed assets	111	-
Purchase of financial assets	-135	-216
Proceeds from sale of financial assets	8	110
Impact of changes in the scope of consolidation	-48,335	-272
Net cash from (used in) investing activities (E)	**-52,511**	**-1,524**
Proceeds on issue of shares	-	-
Proceeds on the exercise of stock options	1,015	486
Purchase and proceeds from disposal of treasury shares	1	-195
Dividends paid during the period:	-	-
• Dividends paid to shareholders of Sopra Group SA	-8,210	-7,101
• Dividends paid to minority interests of consolidated expenses	-	-
Change in borrowings	23,944	-
Net interest paid (including finance leases)	-407	-392
Other cash flow relating to financing activities	225	456
Net cash from (used in) financing activities (F)	**16,568**	**-6,746**
Effect of foreign exchange rate changes (G)	365	-2
NET CHANGE IN CASH AND CASH EQUIVALENTS (D+E+F+G)	**-7,908**	**18,694**
Opening cash position	49,165	35,370
Closing cash position	41,257	54,064

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Note 1. Accounting principles

These condensed interim consolidated financial statements for the six months ended 30 June 2014, together with the accompanying notes, were prepared under the responsibility of the Board of Directors and approved at its meeting of 24 July 2014.

1.1. Basis of preparation of the condensed interim consolidated financial statements

The condensed interim consolidated financial statements for the six months ended 30 June 2014 were prepared in accordance with IAS 34 *Interim Financial Reporting* and do not therefore contain all the information required for the annual financial statements. For this reason, they should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2013, which were prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union.

These condensed interim consolidated financial statements are presented in thousands of euros, unless indicated otherwise.

1.2. Summary of the main accounting policies

The accounting policies and principles applied in these condensed interim consolidated financial statements are the same as those used to prepare the financial statements for the year ended 31 December 2013, with the exception of provisions specific to the preparation of interim accounts:

- tax expense is calculated by applying the tax rate in force for the year to pre-tax profit for the period based on the tax income determined to date;
- retirement commitments for the period were estimated using actuarial studies carried out for the 2013 financial year, discounted for the first half of 2014.

The new standards, amendments to existing standards and interpretations, which must be applied for the accounting periods beginning on or after 1 January 2014, did not have any material impact on the Group's financial statements and income from operations, namely: amendments to IFRS 10, IFRS 12 and IAS 27 R, amendments to IAS 32, IAS 36, and IAS 3, IFRS 11 and IAS 28 R.

The Group chose not to early apply the standards and interpretations not yet adopted by the European Union for periods beginning on or after 1 January 2014, namely: amendments to IAS 16 and IAS 38, annual improvements (2010-2012 and 2011-2013 cycles), Defined Benefit Plans (employee contributions) and IFRIC 21.

The main accounting methods used by the Group are described in the notes to the annual financial statements.

Note 2. Significant events and scope of consolidation

The major event in the first half of 2014 concerns the acquisition of Systar SA on 17 April 2014.

2.1. Change in the scope of consolidation

a. Deconsolidated entities

During the first half of 2014, the Group proceeded with the liquidation of a dormant company, Tumbleweed Communications Holding GmbH, in Switzerland. This company was removed from the scope of consolidation.

b. Consolidated entities

In mid-April 2014, Axway acquired 61% of the capital of Systar *(listed on Euronext Paris ISIN: FR0000052854 - SAR)* in a cash transaction from the shareholders controlling the company in concert. Systar's remaining shares were acquired via a simplified tender offer, which resulted in Axway holding all of Systar's shares as of 30 June. This acquisition allowed Axway to strengthen its position governing the flow of data by accessing performance management technologies intended for major companies. Systar SA and its two subsidiaries, Systar Inc. and Systar Ltd., were fully consolidated from 1 April 2014.

c. Comparability of the accounts

The major impact of this acquisition on the consolidated financial statements as of 30 June 2014 is summarised below:

(in thousands of euros)	Excluding acquisition	Contribution	Reported
Revenue	109,493	5,377	114,870
Operating profit on business activity	4,918	490	5,408
Goodwill	189,641	36,777	226,418
Intangible assets	29,817	12,006	41,823

NOTES TO THE CONSOLIDATED INCOME STATEMENT

Note 3. Revenue

3.1. Revenue by activity

(in millions of euros)	1st half 2014		1st half 2013	
Licences	27.8	24.2%	27.0	25.4%
Maintenance	57.4	50.0%	52.4	49.2%
Services	29.7	25.8%	27.0	25.4%
TOTAL REVENUE	**114.9**	**100.0%**	**106.4**	**100%**

3.2. International revenue

(in millions of euros)	1st half 2014		1st half 2013	
France	42.8	37.2%	34.8	32.7%
International	72.1	62.8%	71.6	67.3%
TOTAL REVENUE	**114.9**	**100.0%**	**106.4**	**100.0%**

Note 4. Segment information

Geographical breakdown of revenue

(in millions of euros)	1st half 2014		1st half 2013	
France	42.8	37.2%	34.8	32.7%
Rest of Europe	29.0	25.2%	26.7	25.1%
Americas	38.8	33.8%	41.6	39.1%
Asia Pacific	4.3	3.7%	3.3	3.1%
TOTAL REVENUE	**114.9**	**100.0%**	**106.4**	**100.0%**

Note 5. Staff costs

5.1. Breakdown of staff costs

(in thousands of euros)	1st half 2014	1st half 2013
Salaries	64,064	56,380
Social charges	17,859	16,121
Employee profit sharing	-	237
TOTAL	**81,923**	**72,738**

5.2. Workforce

No. of employees at 30 June	1st half 2014	1st half 2013
France	722	628
International	1,262	1,170
TOTAL	**1,984**	**1,798**

Average no. of employees	1st half 2014	1st half 2013
France	653	628
International	1,218	1,155
TOTAL	**1,871**	**1,783**

Note 6. Other operating income and expenses

In the first half of 2013, the expenses recognised under this item mainly concern the expenses relating to the GSA dispute and the provision for damages estimated on this date.

In the first half of 2014, the non-recurring expenses recognised under this item are mainly related to the acquisition of Systar and relate to the specific fees and costs in respect of this acquisition (€0.9 million) and to the incurred and estimated restructuring costs (€0.1 million).

Note 7. Financial income and expenses

7.1. Cost of net financial debt

(in thousands of euros)	1st half 2014	1st half 2013
Income from cash and cash equivalents	83	191
Interest charges	-490	-395
TOTAL	**-407**	**-204**

7.2. Other financial income and expenses

(in thousands of euros)	1st half 2014	1st half 2013
Foreign exchange gaisn and losses	-125	-132
Reversal of provisions	-	1
Other financial income	13	-
Total other financial income	**-112**	**-131**
Charges to provisions	12	-
Discounting of retirement commitments	-86	-80
Discounting of employee profit sharing	-17	-19
Change in the value of derivatives	-	-
Other financial expenses	-73	-45
Total other financial expense	**-164**	**-144**
TOTAL OTHER FINANCIAL INCOME & EXPENSE	**-276**	**-275**

Note 8. Tax expense

(in thousands of euros)	1st half 2014	1st half 2013
Current tax	-1,795	1,493
Deferred tax	3,428	-12,374
TOTAL	**1,633**	**-10,881**

The prior earnings and future growth prospects of the US subsidiary Axway Inc. resulted in the degree to which deferred tax assets are activated being based on the profits for five years, from the half-yearly closing for 2013, rather than two years as was previously the case. This option led to the activation of deferred tax assets of €0.6 million at 30 June 2014.

In line with the strong cyclical nature of the business, Axway Software France realised a tax loss at 30 June 2014. In accordance with IAS 34 paragraph B16, tax income of €3 million was recorded over this tax loss, which will be used during the second half of the year.

The turnaround enjoyed by the German subsidiary and the resulting profit led, since the half-yearly closing for 2013, to reconsideration of the option not to activate the deferred tax assets in the amount of the amortisation recorded on goodwill in the parent company financial statements. The deferred tax amounting to €0.8 million activated at 31 December 2013 in this respect was maintained as of 30 June 2014. It corresponds to two annual instalments of goodwill amortisation.

As of 30 June 2014, the unactivated deferred tax assets in relation to the tax losses carry forwards amounted to €27.2 million and mainly concerned the following subsidiaries: Axway Inc. (€23.5 million), Axway UK (€1.1 million), Axway Srl in Italy (€0.7 million) and Axway Pte Ltd in Singapore (€1.1 million).

Note 9. Earnings per share

(in euros)	1st half 2014	1st half 2013
Net profit – Group share	2,758,416	9,812,732
Weighted average no. ordinary shares in issue	20,538,297	20,324,892
BASIC EARNINGS PER SHARE	**0.13**	**0.48**

(in euros)	1st half 2014	1st half 2013
Net profit – Group share	2,758,416	9,812,732
Weighted average numberr of ordinary shares in issue	20,538,297	20,324,892
Weighted average number of securities retained in respect of dilutive items	485,967	152,962
Weighted average number of shares retained for the calculation of diluted net earnings per share	21,024,264	20,477,854
FULLY DILUTED EARNINGS PER SHARE	**0.13**	**0.48**

NOTES TO THE CONSOLIDATED BALANCE SHEET

Note 10. Goodwill

The movements in the first half were as follows:

(in thousands of euros)	Gross value	Impairment	Net
31 December 2013	**198,178**	**8,894**	**189,284**
Acquisition of Systar	36,777		36,777
Translation differential	285	-72	357
30 JUNE 2014	**235,240**	**8,822**	**226,418**

10.1. Goodwill on business combinations

The goodwill recorded relates to the acquisition of Systar assessed on the acquisition date according to the full goodwill method.

(in thousands of euros)	
Acquisition price	52,328
Discounted value of earn-outs	-
Acquisition cost	**52,328**
Net equity acquired	12,858
Difference	**39,470**
Assets and liabilities at fair value net of tax	2,693
GOODWILL	**36,777**

As of 30 June 2014, an independent expert was appointed to assess the fair value of the acquired assets and liabilities. Since the work of this expert was in progress at 30 June 2014, the intangible assets were temporarily valued at €12.0 million.

This assessment will be adjusted in accordance with the expert's conclusions and will become definitive at the end of a period of 12 months, *i.e.* no later than 30 June 2015.

The details of Systar's net assets are given below:

(in thousands of euros)	Carrying amount with the seller	Restatements	Fair value
Intangible assets	8,037	3,969	12,006
Property, plant and equipement	320	-	320
Financial assets	2,413	-2,338	75
Deffered tax	-	1,585	1,585
Current assets	8,826	-12	8,814
Cash and cash equivalents	4,334	-	4,334
Financial liabilities	-2,162	-	-2,162
Provision for post-employment benefits	-	-551	-551
Current liabilities	-8,909	39	-8,870
NET ASSETS ACQUIRED	**12,859**	**2,692**	**15,551**

Note 11. Trade accounts receivable

(in thousands of euros)	1st half 2014	2013
Trade accounts receivable	60,083	60,375
Accrued income	7,609	5,506
Accrued credit notes	-961	-487
Provision for doubtful debtors	-1,162	-962
TOTAL	**65,569**	**64,432**

Note 12. Shareholders' equity

12.1. Changes in the share capital

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.

In the first half of 2014, 59,334 share subscription options were exercised, leading to the creation of 59,334 new shares at the price of €2.00, with a share premium of €15.11.

In addition, 25,155 shares were created under the Group employee bonus share plan of 14 February 2012.

At 30 June 2014, the share capital stood at €41,099,332, comprising 20,549,666 fully paid-up shares with a nominal value of €2.00 each.

12.2. Dividends

The General Shareholders' Meeting of Axway Software held on 4 June 2014 to approve the 2013 financial statements approved a dividend of €0.40 per share, representing a total of €8,210,000.

This dividend was scheduled for payment on 13 June 2014.

Note 13. Loans and financial liabilities – Net debt

(in thousands of euros)	Current	Non- current	30/06/2014	31/12/2013
Bank loans	12,599	48,333	60,932	35,064
Employee profit sharing	378	2,765	3,143	2,916
Other financial liabilities	18	-	18	-
Current bank overdrafts	48	-	48	11
FINANCIAL DEBT	**13,043**	**51,098**	**64,141**	**37,991**
Cash and cash equivalents	-41,305	-	-41,305	-49,176
NET DEBT	**-28,262**	**51,098**	**22,836**	**-11,185**

The impact of Systar's acquisition on net debt is negative €50.2 million, analysed as follows:

(in thousands of euros)	
Acquisition cost	-52,328
Net debt/net cash of the company acquired	2,172
Earn-out	-
IMPACT OF CHANGES IN THE SCOPE OF CONSOLIDATION	**-50,156**

Note 14. Other current liabilities

(in thousands of euros)	30/06/2014	31/12/2013
Fixed asset liabilities – portion due in more than one year	108	283
Employees	12,074	14,372
Social security	8,099	9,488
Value added tax	7,761	5,380
Other tax liabilities	623	2,065
Corporate income tax	376	2,357
Deferred income	72,055	39,694
Other liabilities	1,671	185
TOTAL	**102,767**	**73,824**

The rise in deferred income compared with 31 December 2013 primarily relates to the maintenance activities, for which invoices are mainly issued at the beginning of the year. The deferred income figure at 30 June 2014 is consistent with the growth achieved in the maintenance activity in the first half of 2014.

OTHER INFORMATION

Note 15. Related-party transactions

The agreements concluded with the parties related to the Axway Group were identified in Note 31 "Related-party transactions" to Axway's 2013 Registration Document, filed with the *Autorité des marchés financiers* on 24 April 2014.

Other than those described in the 2013 Registration Document, no new agreements were concluded with parties related to the Axway Group during the first half of 2014.

Note 16. Off-balance sheet commitments and contingent liabilities

The Group's off-balance sheet commitments are those made or received by Axway and its subsidiaries. These commitments were not subject to any significant changes compared with 31 December 2013.

The Group complies with the covenants and commitments relating to the outstanding syndicated loans. At 30 June 2013, the use of credit lines had increased by €30 million compared with 31 December 2013, corresponding to the drawdown made to finance the acquisition of Systar, and taking the total amount of drawdowns to €70 million.

Note 17. Exceptional events and legal disputes

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, as at the date of this report.

Note 18. Events subsequent to the end of the period

Between 1 July 2014 and the date of the Board of Director's meeting, there were no significant events likely to impact the financial statements presented.

STATUTORY AUDITOR'S REPORT ON THE INTERIM FINANCIAL STATEMENTS

To the shareholders,

In accordance with our appointment as Statutory Auditors by the General Shareholder's Meetings, and in application of

Article L. 451-1-2 III of the French Monetary and Financial Code *(Code monétaire et financier),* we have performed:

- a limited review of the accompanying condensed interim consolidated financial statements of Axway Software for the period from 1 January to 30 June 2014;
- verification of the information provided in the half-year management report.

These condensed interim consolidated financial statements were prepared under the responsibility of the Board of Directors. Our responsibility is to express our conclusion on these financial statements, based on our limited review.

I. Conclusion on the financial stateements

We conducted our limited review in accordance with the professional standards applicable in France. A limited review mainly consists of interviewing management in charge of accounting and financial matters and applying analytical procedures. These procedures are less broad in scope that those required for an audit performed in accordance with French auditing standards. Accordingly, a limited review only provides moderate assurance, which is less assurance than that provided by an audit, that the financial statements taken as a whole are free of material misstatements.

Based on our limited review, we did not identify any material misstatements that would cause us to believe that the condensed interim consolidated financial statements do not comply with IAS 34, the IFRS standard relating to interim financial reporting adopted by the European Union.

II. Specific verification

We have also verified the information presented in the half-year management report commenting on the condensed interim consolidated financial statements that were the subject of our limited 1st review.

We have nothing to report with respect to the fairness of such information and its consistency with the condensed interim consolidated financial statements.

Paris and Courbevoie, 25 July 2014

The Statutory Auditors

Auditeurs & Conseils Associés	**Mazars**
François MAHE	Christine DUBUS

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DECLARATION BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

I declare that, to the best of my knowledge, the accounts presented in the interim financial report have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and of all the entities included in the scope of consolidation, and that the half-year management report provides a fair review of the significant events that occurred in the first six months of the financial year and their impact on the interim financial statements, and of the main transactions between related parties, as well as a description of the main risks and uncertainties for the remaining six months of the financial year.

Phoenix, 25 July 2014

Christophe Fabre

Chief Executive Officer

business. in motion.

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