

Contacts

Investor Relations: Patrick Gouffran
+33 (0)1 40 67 29 26 – pgouffran@axway.com
Press Relations: Sylvie Podetti
+33 (0)1 47 17 22 40 – spodetti@axway.com

Press release

Mixed start to the year for Axway Q1 2012 revenue of €46.0 million

Paris, 3 May 2012. Axway has announced first quarter 2012 revenue of €46.0 million, down 4.3% year-over-year. It was a disappointing first quarter overall for licence sales. The European region suffered from a persistently depressed market environment and in contrast to Q1 2011, the United States did not manage to close major business deals. These factors lead the company to remain cautious on the first half of the year. However, the quality of the commercial pipeline in the United States and the overall good performance for maintenance and service revenues justifies an encouraging outlook for the second half of the year.

Comments on business activity

First quarter 2012

€m	2012	2011 Reported	2011 Pro forma	Total growth	Organic growth
Licences	9.4	13.6	13.9	-31.0%	-32.5%
Maintenance	23.2	20.4	20.8	13.8%	11.8%
Services	13.4	13.3	13.4	0.2%	-0.1%
Axway	46.0	47.3	48.0	-2.9%	-4.3%

Revenue directly linked to products (Licences and Maintenance) declined slightly by 4.1% in Q1 2012 relative to the same period in 2011. Licences suffered as a result of the ongoing slowdown in the European economy where it is difficult to bring opportunities to fruition. In the United States, despite overall growth in the business, licence revenues did not perform as well as in Q1 2011 when several major contracts were signed, a situation which was not repeated in early 2012. Maintenance revenue was in line with forecasts, growing by more than 11%, and the outlook for the rest of the year is reaffirmed. Services, which were stable overall, posted significant growth in the United States, and the group is expecting satisfactory overall performance in this business line.

First quarter 2012

€m	2012	2011 Reported	2011 Pro forma	Total growth	Organic growth
Europe	28.4	29.1	29.4	-2.4%	-3.2%
Americas	16.3	17.0	17.4	-4.2%	-6.2%
Asia-Pacific	1.2	1.2	1.3	5.7%	-4.4%
Axway	46.0	47.3	48.0	-2.9%	-4.3%

All of the group's geographical regions suffered in the first quarter of 2012. However, momentum remains strong in the United States, both in the existing client base and with the signing of new clients. Within this region, the market remains very buoyant and the healthy sales pipeline supports a very significant growth outlook for all lines of business. In Europe, economic conditions remain challenging, especially for licences and services, in line with the situation at the end of 2011 and the number of new opportunities for each country remains low, particularly in France. However, the pipeline remains active and can reasonably be expected to produce results by the end of the year, with particularly promising growth prospects in Germany and the United Kingdom.

Furthermore, Axway's financial position is very robust in regards to both bank covenants and debt. The company is currently forecasting a year-end cash position of €40 million after payment of a proposed dividend of €0.25 per share in respect of 2011.

Outlook

Within the company's business cycle, the first three months of the year are traditionally not a reliable indicator of the overall trend for the year as economic performance is mainly built in the second half of the year. Even if the persistent depressed economic environment in Europe is likely to continue to hamper performance, at least in the first half of the year, the outlook for the second half remains positive. This leads the company, at this stage, not to revise its initial full year 2012 target of positive organic growth and a very slight improvement in its operating margin.

Financial calendar

Thursday 24 May, 2012 at 2.30pm: Annual General Shareholder's Meeting at Hôtel Meurice, Paris.

Wednesday 1 August 2012, after close of trading: interim results released.

Thursday, 2 August 2012 at 2.30pm: SFAF financial analysts meeting at Hôtel Meurice, Paris.

The company published its 2011 Reference Document, which was filed with the Autorité Des Marchés Financiers (AMF), on 27 April 2012 under number R12-017.

The French language version of Axway's 2011 Reference Document can be viewed at www.finance.axway.fr in the section "Documents financiers", as well as at the AMF's website at www.amf-France.org.

About Axway

Axway (NYSE Euronext: AXW.PA), the specialist in Business Interaction Networks, is a software vendor with over 11,000 clients in 100 countries. For more than ten years, Axway has been providing market-leading global companies with technological solutions that help them exchange, integrate, manage, secure and govern their strategic transactions, thus accelerating their performance.

Our solutions, which are recognised by the industry and available both on premise and on demand (cloud-based), cover B2B solution integration, managed file transfer (MFT), business process monitoring, secure e-mail and authentication, combined with professional services and managed services.

Axway's registered office is in France and its senior management is based in the United States. The company also has offices throughout the world.

For more information, visit our website: <http://www.axway.fr/>

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