

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

After an excellent fourth quarter, Axway closes 2012 with total growth of 3.3% (organic growth of -1.6%) and net profit up 15%.

Paris, 19th of February 2013. Axway Software's Board of Directors approved the financial statements for fiscal year 2012 at its meeting of 19th of February, chaired by Pierre Pasquier. The Group recorded an excellent performance in Q4 2012 with organic growth of +10.1% compared with Q4 2011, an upward correction to the trend for the first nine months of the year. In FY 2012:

- Revenue was up 3.3% to €224.3 million (-1.6% organic growth);
- Profit on operating activities amounted to €35 million, representing a margin of 15.6% (compared with €35.3 million and 16.3% in 2011);
- Net profit was €24.7 million, giving a margin of 11.0% (compared with €21.5 million and 9.9% in 2011)

	FY 2012		FY 2011		FY 2010	
	(in M€)	(% Rev)	(in M€)	(% Rev)	(in M€)	(% Rev)
Key income statement items						
Revenue	224.3		217.2		208.4	
<i>Organic growth</i>	-1.6%		5.7%		11.8%	
Profit on operating activities	35.0	15.6%	35.3	16.3%	31.1	14.9%
Profit from recurring operations	31.7	14.1%	33.3	15.3%	29.1	14.0%
Other income and expense	-2.9		-4.0		-3.6	
Net financial costs and currency impact	-0.1		-2.7		-2.0	
Income Taxes	-4.0		-5.2		3.0	
Net profit	24.7	11.0%	21.5	9.9%	26.6	12.8%
	(in €)		(in €)		(in €)	
Basic net earnings per share	1.22		1.20		1.67	

*Using the same number of shares as in 2012 as the basis of calculation for 2011, earnings per share would be €1.06, yielding growth of 15% in EPS 2011-2012.

The Group continued its transformation efforts throughout the year while at the same time turning around its economic position in the fourth quarter. The highlights of 2012 included:

- Preparation of a major evolution in its software portfolio;
- Acquisition of Vordel;
- Strengthened managerial structures;
- Investments maintained to expand its business model (Cloud and indirect business).

Comments on the business

By type of business (in M€)

FY 2012	2012	2011 Published	2011 Pro Forma	Total Growth	Organic Growth¹
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%
Axway	224.3	217.2	227.9	3.3%	-1.6%

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

Demand was particularly depressed for most of 2012, driving down organic growth in Licences by -15%, compared with 2011. However, this trend was reversed in the fourth quarter leading to an Organic growth for the Licences of a strong +14.1% vs. Q4 2011.

The Group recorded robust growth in its Maintenance business in fiscal year 2012 (over €98 million, up 11.4%), reflecting Axway's firm commitment to building customer loyalty across the board and increasing the average effective maintenance rate.

Services declined slightly for the year as a whole as a direct consequence of the downturn in licences, but rebounded 2.6% in Q4 2012. Services should benefit from new momentum generated by the strong performance in Licences in the last quarter.

Breakdown by region (in M€)

FY 2012	2012	2011 Published	2011 Pro Forma	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%
America's	86.5	76.7	83.1	12.8%	4.1%
Asia/Pacific	6.8	5.5	6.1	24.2%	10.3%
Axway	224.3	217.2	227.9	3.3%	-1.6%

(1) at constant exchange rates and scope of consolidation

Growth in Axway's revenue in FY 2012 was contrasted, reflecting differing regional realities. In the United States, revenue increased throughout the year, with 25% growth in the fourth quarter. This demonstrates the resilience of our portfolios in terms of both quantity and quality. The economic environment in Europe was more challenging in 2012 (especially in France), reflected in the slight decline in Axway's business in this region. Nonetheless, the fourth quarter of 2012 saw the Group finalise a number of contracts (on hold since the start of the year), generating organic growth of +1.4% year-on-years. This Q4 2012 rebound was particularly marked in France (+9.8% compared with Q4 2011).

Financial position

Axway had very robust financials position at 31 December 2012, with a net debt of €6,7 million and equity totalling €233,9 million.

The Vordel acquisition was financed through a part of the bank credit line and leaves Axway with a very reasonable debt level (€40 million) at 31 December 2012.

Although affected by the overall fall in licence revenues, the operating profit margin was 15.6% (vs. 16.3% in 2011). This solid result reflects the robustness of the Axway business model, while maintaining the investments required to maintain its competitive edge - which remains intact and is a key growth driver. Net profit at 31 December 2012 was €24.7 million (11% of net margin), up from €21.5 million in 2011 (9.9% of net margin).

Headcount

Axway employed 1,774 people at 31 December 2012 (629 in France and 1,145 in other countries), an increase of 19 employees from the previous year's headcount.

Throughout fiscal year 2012, Axway beefed up its management teams through a drive to recruit top managers. These strategic hires constitute a major advantage for Axway as it pursues its development plan.

Cash dividend

The Board of Directors of Axway will propose, at the next General Shareholders Assembly, the distribution of €0.35 dividend per share for the financial year 2012, totalling €7,112,363.30.

Strategy

Axway reaffirms that the implementation of infrastructures to govern data flows remains critical to ensuring agile and efficient information systems. Axway confirms the relevance of its approach of providing leading technology solutions to large enterprises and their ecosystem. The company has maintained investment levels to prepare for a major development in its product line, and finalised the acquisition of Vordel, a deal that delivers additional growth drivers (governance of Cloud and mobile data flows).

To reach its market leadership objective, Axway deploys its development strategies based on the following structural priorities:

- Reinforce its 'specialist' positioning, focusing exclusively on 'governance of data flows';
- Continually improve its technological platform to remain the leading infrastructure for large enterprises in the long term;
- Intensify the vertical approach (by economic sector) to reinforce the focus on key accounts.

Outlook

During 2012, the Group demonstrated the strong resilience of its model and continued to commit the investments required for the successful completion of its medium term goal. 2012 was a transformative year on many fronts.

Nonetheless, uncertainty continues to cloud the economic outlook in the main geographical markets (in France for example) and verticals (financial services especially). Demand remains crucial to achieving growth, particularly in the Licences segment. Confident in its medium-term outlook, the Group must however take the particular seasonal component of its business into account, where the fourth quarter plays a critical role in the company's overall full-year performance.

Accordingly, Axway's target for FY 2013 is to deliver positive organic growth and to maintain its operating margin.

Breakdown of revenue by quarter - Breakdown by region

m€

	2012	2011 Published	2011 Pro Forma	Total Growth	Organic Growth ¹
1st Quarter					
France	15.7	17.5	17.5	-10.4%	-10.4%
Rest of Europe	12.7	11.6	11.8	9.6%	8.0%
America's	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%

	2012	2011 Published	2011 Pro Forma	Total Growth	Organic Growth ¹
2nd Quarter					
France	16.9	22.6	22.6	-25.5%	-25.5%
Rest of Europe	12.4	11.7	12.2	5.6%	1.2%
America's	21.7	17.0	18.6	27.6%	17.0%
Asia/Pacific	1.4	1.4	1.6	2.9%	-10.1%
Axway	52.4	52.7	55.0	-0.6%	-4.7%

	2012	2011 Published	2011 Pro Forma	Total Growth	Organic Growth ¹
3rd Quarter					
France	16.7	18.0	18.0	-7.4%	-7.4%
Rest of Europe	11.6	11.9	12.0	-2.5%	-3.0%
America's	20.8	22.4	25.1	-6.8%	-16.8%
Asia/Pacific	1.6	1.3	1.5	23.1%	4.0%
Axway	50.7	53.6	56.6	-5.4%	-10.3%

	2012	2011 Published	2011 Pro Forma	Total Growth	Organic Growth ¹
4th Quarter					
France	26.2	23.9	23.9	9.8%	9.8%
Rest of Europe	18.9	17.9	20.6	5.6%	-8.3%
America's	27.6	20.3	22.1	35.8%	25.0%
Asia/Pacific	2.5	1.6	1.7	57.8%	45.5%
Axway	75.2	63.7	68.3	18.1%	10.1%

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

Breakdown of revenue by quarter - By type of business (in M€)

1st Quarter	2012	2011 Published	2011 Pro Forma	Total Growth	Organic Growth¹
Licenses	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%
	46.0	47.3	48.0	-2.9%	-4.3%

2nd Quarter	2012	2011 Published	2011 Pro Forma	Total Growth	Organic Growth¹
Licenses	15.2	18.3	19.1	-17.1%	-20.5%
Maintenance	23.9	20.3	21.4	17.8%	11.6%
Services	13.3	14.1	14.4	-5.8%	-7.8%
Axway	52.4	52.7	55.0	-0.6%	-4.7%

3rd Quarter	2012	2011 Published	2011 Pro Forma	Total Growth	Organic Growth¹
Licenses	12.6	19.7	21.0	-35.9%	-39.9%
Maintenance	24.9	20.8	22.2	19.9%	12.4%
Services	13.2	13.1	13.4	0.4%	-1.7%
	50.7	53.6	56.6	-5.4%	-10.3%

4th Quarter	2012	2011 Published	2011 Pro Forma	Total Growth	Organic Growth¹
Licenses	34.2	26.2	30.0	30.8%	14.1%
Maintenance	26.1	23.5	23.8	11.0%	9.7%
Services	14.9	14.0	14.5	6.2%	2.6%
	75.2	63.7	68.3	18.1%	10.1%

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

Income Statement

(in thousands of euros)

	FY 2012	FY 2011	FY 2010
Revenue :			
License	71,435	77,762	77,948
Maintenance	98,205	85,037	78,578
Total Product Revenue	169,640	162,799	156,526
Services	54,680	54,445	51,895
Total Revenue :	224,320	217,244	208,421
Costs of sales:			
Product Revenue	20,653	19,929	22,076
Services	51,070	49,285	46,354
Total Costs of sales :	71,723	69,214	68,430
Gross profit:	152,597	148,030	139,991
<i>as a % of Revenue</i>	68.0%	68.1%	67.2%
Operating expenses :			
Sales and marketing	64,077	61,528	57,923
Research and development	32,508	32,079	32,662
General and administrative	21,046	19,120	18,321
Total operating expenses :	117,631	112,727	108,906
Profit on operating activities	34,966	35,303	31,085
<i>as a % of Revenue</i>	15.6%	16.3%	14.9%
Stock option related expenses	(1,147)	(146)	-
Amortization of intangible assets	(2,130)	(1,858)	(1,944)
Profit from recurring operations	31,689	33,299	29,141
<i>as a % of Revenue</i>	14.1%	15.3%	14.0%
Other income and expenses	(2,940)	(3,967)	(3,583)
Operating profit	28,750	29,332	25,558
Cost of net financial debt	(51)	(1,633)	(1,715)
Other financial revenues and expenses	(63)	(1,034)	(296)
Income taxes	(3,976)	(5,208)	3,046
Net Profit	24,660	21,457	26,596
<i>as a % of Revenue</i>	11.0%	9.9%	12.8%

Simplified Balance Sheet

	31/12/2012	31/12/2011	31/12/2010
	(in €m)	(in €m)	(in €m)
ASSETS			
Goodwill	196.6	169.6	165.7
Intangible assets	31.0	19.4	20.8
Property, plant and equipment	6.3	4.9	3.5
Other non-current assets	18.4	15.3	18.6
Non-current assets	252.3	209.2	208.6
Trade receivables	72.2	57.1	65.8
Other current assets	17.0	13.8	11.6
Cash and cash equivalents	35.4	23.8	22.4
Current assets	124.6	95.3	99.8
TOTAL ASSETS	376.9	304.5	308.4
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	40.6	40.3	75.6
Capital reserves and results	193.3	173.1	72.5
Total shareholders' equity	233.9	213.4	148.1
Financial debt - long-term portion	36.9	2.0	70.2
Other non-current liabilities	16.2	14.6	17.5
Non-current liabilities	53.1	16.6	87.7
Financial debt - short-term portion	5.3	0.5	0.4
Other current liabilities	84.6	74.0	72.3
Current liabilities	89.9	74.5	72.7
TOTAL LIABILITIES	143.0	91.1	160.3
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	376.9	304.5	308.4

Financial calendar

- Wednesday, 20th of February 2013: Axway annual results analysts' conference, 14:30, Pavillon Kléber, Paris
- Wednesday, 17th of April 2013: Publication of Q1 2103 results

Disclaimer

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The forecasts in this document are contingent upon risks and uncertainties as to the society future growth and profitability. Readers are reminded that licence agreements, which often represent investments for our clients, are more significant in the second half of the year, and may therefore, have a more or less favourable impact on full-year performance.

The outcome of events or actual results may differ from those described in this document as a result of various risks and uncertainties set out in the 2011 Registration Document submitted to the Autorité des Marchés Financiers on 27 April 2012.

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About Axway

Axway (NYSE Euronext: AXW.PA), a market leader in governing the flow of data, is a global software company with more than 11,000 public- and private-sector customers in 100 countries. For more than a decade, Axway has empowered leading organizations around the world with proven solutions that help manage business-critical interactions through the exchange of data flowing across the enterprise, among B2B communities, cloud and mobile devices. Our award-winning solutions span business-to-business integration, managed file transfer, API and identity management, and email security– offered on premise and in the Cloud with professional and managed services.

Axway is registered in France with headquarters in the United States and offices in 22 countries. More information is available at www.axway.com.