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Press release

Q3 2012 Axway: decreased business with negative organic growth of -6.6% for the first nine months of the year.

Paris, 6 November 2012. Axway announces revenues of €50.7 million in Q3 2012. The Group is faced with falling demand for the fourth quarter in a row, with difficulties expected to continue in the economy as a whole, in Europe and in France in particular.

Business activities

3rd quarter by activity

€m	2012	2011 Reported	2011 Pro Forma	Total Growth	Organic Growth ¹
Licences	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%
Axway	50.7	53.6	56.6	-5.4%	-10.3%

(1) At comparable exchange rates and scope of consolidation

By type of activity, licences (35% of revenue on a rolling 4 quarter basis) contracted sharply (-39.9%) compared with Q3 2011, which was particularly robust, especially in the United States (organic growth of almost 21%). Maintenance income (more than 39% of revenue on a rolling 4 quarter basis) grew strongly in line with expectations. Services dropped slightly, especially in the US, as a consequence of the downturn in licences for several quarters.

3rd quarter by region

€m	2012	2011 Reported	2011 Pro Forma	Total Growth	Organic Growth ¹
Europe	28.3	29.9	30.0	-5.5%	-5.7%
Americas	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%

(1) At comparable exchange rates and scope of consolidation

By region, the contraction occurred across all regions and was accentuated by an unfavourable basis for comparison in the United States, where several agreements had been signed in Q3 2011 (in particular with the federal government). Business was also down significantly in France, reflecting the postponement of infrastructure projects for a year now. Economic conditions remain difficult in the rest of Europe and especially in the south, but client projects remain active leading the group to adopt an improved outlook for the year-end.

Year to date 9 months by activity

€m	Year to date 2012	Year to date 2011 Reported	Year to date 2011 Pro forma	Total growth	Organic Growth ¹
Licences	37.2	51.6	54.0	-27.9%	-31.1%
Maintenance	72.1	61.5	64.4	17.2%	11.9%
Services	39.8	40.5	41.2	-1.7%	-3.4%
	149.1	153.6	159.6	-2.9%	-6.6%

Year to date 9 months by region

€m	Year to date 2012	Year to date 2011 Reported	Year to date 2011 Pro forma	Total Growth	Organic Growth ¹
Europe	85.9	93.3	94.1	-7.9%	-8.7%
Americas	58.9	56.4	61.1	4.4%	-3.6%
Asia/Pacific	4.3	3.9	4.4	10.3%	-2.3%
	149.1	153.6	159.6	-2.9%	-6.6%

(1) At comparable exchange rates and scope of consolidation

Year to date for the first nine months of 2012, Axway is withstanding a generally very depressed economic environment, reflected in the decline in organic growth (-6.6%). As companies put investment decisions on hold, orders have fallen with a resulting decline in licence revenue. However, the steady rise in maintenance activities (+11.9%) is very encouraging and manifests the Group's proactive approach to building customer loyalty.

Axway enjoys a very robust financial position with respect to both banking covenants and debt. At end-September 2012, the company had a net cash position slightly in excess of €40 million.

Outlook

Faced with a significant fall-off in demand for the past year, and the continuing uncertainty in the economic environment to the end of the year, Axway no longer maintains its initial performance objectives of positive organic growth and at least maintaining its operating margin for full-year 2012. Cost-cutting measures have been implemented for a number of months to mitigate the impact of falling demand on the company's margins while safeguarding its competitive positioning. Moreover, it is important to remember the quantitative significance of the fourth quarter in assessing the Group's performance for the year as a whole. While the prospects of achieving a good Q4 2012 are real, success will depend on a recovery in the quarterly deal closings.

Financial calendar

Tuesday, 19 February 2013: publication of annual results

Wednesday, 20 February 2013: SFAF analysts' meeting, Paris

About Axway

Axway (NYSE Euronext: AXW.PA), the Business Interaction Networks company, is a software company with more than 11,000 customers in 100 countries. For more than a decade, Axway has provided leading organizations around the world with proven technology solutions that exchange, integrate, manage, secure and govern the business-critical interactions that accelerate enterprise performance.

Our award-winning solutions span business-to-business integration, managed file transfer, business operations monitoring, process management, and email and identity security – offered on premise or on demand (Cloud), together with professional and managed services.

Axway is registered in France with headquarters in the United States and offices around the globe.

More information is available at: <http://www.axway.com/>
