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Press Release

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Good performance in first half 2011 for Axway

Paris, 31 August 2011 **– At its meeting on 30 August 2011 chaired by Pierre Pasquier, the Board of Directors of Axway approved Axway's financial statements for the first half of 2011, which showed a good performance for the period.**

- **Revenue: €100.0 million, representing organic growth of +6.5%**
- **Operating profit on business activity: €10.3 million, representing a margin of 10.3%, up 170 basis points (or 19.8%)**
- **Net profit: €2.9 million, representing a margin of 2.9%, and basic earnings per share of €0.18**

	30/06/2011		30/06/2010	
	(in M€)	(% of Revenue)	(in M€)	(% of Revenue)
Key income statement items				
Revenue	100.0		95.3	
Organic growth	*6.5%*		*13.7%*	
Profit on operating activities	10.3	10.3%	8.2	8.6%
Profit from recurring operations	9.4	9.4%	7.2	7.5%
Other income and expense	-3.4		-1.9	
Net financial costs and currency impact	-2.0		-0.5	
Tax expense	-1.1		-2.1	
Net profit	2.9	2.9%	2.6	2.8%
	(en €)		**(en €)**	
Net earnings per share				
Basic net earnings per share	0.18		0.17 (1)	

(1) Calculation based on the weighted average ordinary shares as of 30 June 2011 for pro forma comparison between periods. For standard calculation at 30 June 2010 detail see Note 29 to the Financial Statements.

A number of significant events occurred in the first half of 2011 for Axway.

- **The completion of the project to spin off the business operations of Axway Software from the historic activities of Sopra Group at the Shareholders' Meeting of 8 June 2011. Sopra Group S.A. retains a 26.27% holding in Axway;**
- **Initial stock market listing on the NYSE Euronext Paris market of Axway shares on 14 June 2011, under the symbol AXW.PA;**
- **Prior to the spin-off and initial stock market listing, the structure of Axway's shareholders' equity was modified, including the distribution of a €21.8 million dividend to Sopra Group S.A.;**
- **Axway obtained a €100 million medium-term credit facility from a pool of six banks;**
- **In June 2011, Axway launched a capital increase with preferential subscription rights for existing shareholders. This operation was completed in July 2011 with a capital increase of €61.9 million. This capital increase allowed the current account with Sopra Group to be completely reimbursed.**

Comments on business activity

€m	2011[2]	2010 Published	2010 Pro forma	Total Growth	Organic Growth[1]
Licences	31.9	31.6	31.1	1.1%	2.7%
Maintenance	40.7	38.6	38.0	5.4%	7.2%
Services	27.4	25.1	24.9	9.1%	10.2%
	100.0	**95.3**	**93.9**	**4.9%**	**6.5%**

(1) At constant exchange rates and group structure.

(2) First quarter revenue has been adjusted to reflect the separation of Axway's operations from those of Sopra Group. This adjustment includes €0.2 million in revenue previously eliminated on consolidation with Sopra Group.

Licences (almost 32% of revenue) grew by 2.7% on an organic basis with respect to first-half 2010 which had been exceptionally strong (37.9% total growth with respect to 2009). Maintenance revenue (more than 40% of revenue) is in line with forecasts. Services experienced strong growth, particularly in the United States.

€m	2011[2]	2010 Published	2010 Pro forma	Total Growth	Organic Growth[1]
Europe	63.4	61.5	62.7	3.1%	1.2%
Americas	34.0	32.0	29.5	6.2%	15.7%
Asia/Pacific	2.6	1.7	1.8	46.8%	42.4%
	100.0	**95.3**	**93.9**	**4.9%**	**6.5%**

(1) At constant exchange rates and group structure.

(2) First quarter revenue has been adjusted to reflect the separation of Axway's operations from those of Sopra Group. This adjustment includes €0.2 million in revenue previously eliminated on consolidation with Sopra Group.

Growth during the first half of the year was particularly strong in the United States and was strong in France. The economic environment in the rest of Europe was more challenging in the second quarter but client projects remain active and are expected to come to fruition in the second half of the year.

Axway significantly improved its margins in the first half of 2011. Its gross profit (see appendix) improved to 66.9% from 65,0% for HY 2010, thanks to the optimisation of Product and Services margins. Operating expenses remain under control, with a slight increase in sales and marketing expenses (which are necessary for growth) and a decrease in R&D expenses (due to foreign exchange effects). In relative terms, operating expenses therefore remained at an equivalent level to that of the first half of 2010.

Financial position

At 30 June 2011, Axway had a robust financial position, with a cash position of €13.7 million. Equity amounted to €118.4 million at 30 June 2011, taking into account the payment of dividends to Sopra Group of €21.8 million.

At the end of June 2011, Axway's debt with respect to Sopra Group totalled €60.0 million. In July 2011, a capital increase of €61.9 million was successfully completed and the proceeds of this operation were used to reimburse the debt outstanding to Sopra Group. Axway had therefore paid its debt in full on completion of these operations. As a result, Shareholders' equity increased and totaled €180.3m at 19 July 2011.

In the first half of 2011, Axway set up medium-term bank credit facilities, totalling €100.0 million, for the purpose of financing its development. To date, no use has been made of these facilities.

Change in workforce

At 30 June 2011, Axway's workforce comprised 1,720 employees, an increase of 59 from 31 December 2010.

Strategy & Outlook

The Group's strategy involves developing a leadership position in Business Interaction Networks by providing large companies and organisations with a software platform to manage electronic data exchanges within their ecosystems.

The growth drivers for this market are present throughout the world, namely: security requirements for all electronic exchanges, increased demand attributable to protocols and standards imposed by the implementation of regulatory reforms, infrastructure consolidation and innovation.

In order to attain its leadership objective, Axway is rolling out development strategies aimed at:

- reinforcing its positioning as a "specialist" by concentrating exclusively on Business Interaction Networks;
- developing its technology platform to remain the benchmark infrastructure over the long term and to enrich it with cloud modules;
- optimising growth levels in its core business (MFT, B2Bi);
- intensifying the vertical-market approach (by economic sector) in order to reinforce the major client approach.

Axway confirms its objective of achieving positive organic growth and, at a minimum, maintaining its operating margin for 2011 as a whole.

Financial calendar

Thursday, 1 September 2011 at 2.30pm: Analysts' meeting at Hotel Meurice, Paris.

Wednesday, 2 November 2011 after stock market close: publication of third quarter revenue.

Consolidated income statement for the first half of 2011

	30/06/2011		30/06/2010	
	(in M€)	(% of Rev)	(in M€)	(% of Rev)
Revenue	**100.0**		**95.3**	
Cost of revenue	33.1	33.1%	33.4	35.0%
Gross profit	**66.9**	**66.9%**	**61.9**	**65.0%**
Operating expenses				
Sales and marketing	30.4	30.4%	27.5	28.8%
Research and development	16.4	16.4%	17.3	18.2%
General and administrative	9.8	9.8%	9.0	9.4%
Total operating expenses	**56.6**	**56.6%**	**53.8**	**56.4%**
Profit on operating activities	**10.3**	**10.3%**	**8.2**	**8.6%**

Simplified balance sheet

ASSETS	30/06/2011 (in €m)	30/06/2010 (in €m)	31/12/2010 (in €m)
Goodwill	156.4	174.7	165.7
Allocated intangible assets	18.4	23.6	20.3
Fixed assets	5.9	3.6	4.7
Other non-current assets	18.7	10.1	17.9
Non-current assets	**199.4**	**212.0**	**208.6**
Trade accounts receivable (net)	57.6	55.3	65.8
Other current assets	12.3	9.2	11.7
Cash and cash equivalents	13.7	19.8	22.4
Other current assets	**83.7**	**84.4**	**99.8**
TOTAL ASSETS	**283.1**	**296.3**	**308.4**
LIABILITIES AND EQUITY			
Share capital	32.2	75.6	75.6
Reserves and profit for the period	86.2	54.6	72.5
Equity	**118.4**	**130.2**	**148.1**
Financial debt - portion more than 1 year	2.0	1.8	1.8
Other non-current liabilities	17.0	16.0	17.5
Non-current liabilities	**18.9**	**17.8**	**19.2**
Financial debt - portion less than 1 year	0.8	0.3	0.4
Current account - Sopra Group	60.0	63.9	68.4
Other current liabilities	84.9	84.1	72.3
Current liabilities	**145.7**	**148.3**	**141.1**
TOTAL LIABILITIES	**164.7**	**166.2**	**160.3**
TOTAL LIABILITIES AND EQUITY	**283.1**	**296.3**	**308.4**

In July 2011 Axway carried out a capital increase in the amount of €61.9 million. This operation changed the structure of the balance sheet presented above by increasing equity by €61.9 million and eliminating the outstanding balance on the current account with Sopra Group.

Disclaimer

This document is a free translation into English of the original French press release. It is not a binding document. In the event of a conflict in interpretation, reference should be made to the French version, which is the authentic text.

About Axway

Axway (NYSE Euronext: AXW), the Business Interaction Networks company, is a software and services company registered in France with headquarters in Phoenix, Arizona. Established in 2001, Axway serves more than 11,000 organisations in 100 countries, with offices around the globe. Our award-winning products, solutions and services enable the business-critical transactions required to accelerate performance within and among enterprises – while providing management, security and governance on interactions throughout business networks. Axway's industry-leading offerings include: business-to-business integration, managed file transfer, secure email, business operations monitoring, process management and identity validation solutions, as well as professional and managed services, cloud solutions, and Software-as-a-Service. More information is available at www.axway.com.