StreamWIDE

SHAPING INNOVATION

Press release

OPERATING PROFIT BEFORE AMORTIZATION UP + 87%

Paris, September 23, 2013 – StreamWIDE (FR0010528059 – ALSTW), the specialist in next generation, value-added telephony solutions for telecom carriers, announces an operating profit before amortization of €1.8 million, up €0.8 million on the first half of 2012. Core profit was €0.3 million and there was a net profit of €0.1 million.

SIMPLIFIED INCOME STATEMENT – IFRS

In € thousands	June 30' 13	%CA	30-juin-12	%CA	Variation (K€)	Variation %
License revenue	**2 902**	*49%*	**2 472**	*45%*	**430**	17%
Maintenance revenue	**1 652**	*28%*	**1 321**	*24%*	**331**	25%
Service revenue	**874**	*15%*	**749**	*14%*	**125**	17%
Third-party sales revenue	**492**	*8%*	**964**	*17%*	**-472**	-49%
TOTAL REVENUE	**5 920**		**5 506**		**414**	**8%**
OPERATING PROFIT BEFORE AMORTIZATION	**1 762**		**941**		**821**	**87%**
OPERATING PROFIT	**274**		**47**		**227**	
Other operating costs / income	-119		-234		115	
Financial costs / income	1		136		-135	
Tax charges	-23		58		-81	
NET PROFIT	**133**		**7**		**126**	

INCREASE IN REVENUE OVER THE FIRST HALF OF 2013

Group revenue increased by €0.4 million over the first half of 2013, giving growth of 7.5% compared to the first half of 2012. Every revenue category increased over the period apart from third-party sales, which slipped back because of a negative base effect vs. the first half of 2012, when significant third-party license sales were recorded.

IMPROVEMENT IN PROFITABILITY

The core operating profit before amortization, i.e. EBITDA, came to €1.8 million, giving a margin before amortization of 29.8%, compared with 17.1% over the first-half of 2012. This improvement was due to two factors. First, a more favorable product mix for the Group because third-party sales, which by their very nature have lower margins, fell over the period. Second, operating costs control has been improved.

The capitalization of R&D expenses generated a positive pre-tax impact of €0.8 million, similar to the first half of 2012, whilst amortization increased over the period (to €1.3 million, vs. €0.8 million for the first half of 2012), thus reflecting the priority StreamWIDE gives to technological innovation.

After taking into account non-recurrent expenses (specific wage costs and fees), a financial loss impacted by balanced forex effects over the first half of 2013 (vs. +€0.2 million over the first half of 2012) and a non-significant tax burden with no impact in cash terms, the first half saw a net profit of €0.1 million.

SOLID FINANCIAL STRUCTURE

At June 30 2013, the total balance sheet stood at €20.7 million, compared with €22.0 million at June 30 2012, notably due to the impact of the capitalization of R&D expenses (+€0.4 million net) and the reduction in receivables (-€2.1 million) and deferred revenue (-€0.7 million)

The Group had a net cash surplus of €2.4 million at the end of the first half, compared with €1.7 million at June 30 2012. Operating cash flow generated €1.9 million (vs. €0.7 million over the first half of 2012), cash flow from investment activities was down slightly (-€1.2 million vs. -€1.5 million over the first half of 2012) following the reimbursement of the 2012 Research Tax Credit in January 2013 that partly offset the R&D efforts, and cash flow from financing activity (-€0.1 million) was down sharply (a €0.9 million bank loan had been taken out during the first half of 2012).

It should be noted that the Group carried out a bond issue with GIAC Gestion at the end of July 2013. This was a €1.6 million 9-year issue with a 4-year repayment grace period, and pays annual interest of 5.7%. This financing is helping support and secure the future development of the Group's activities.

INTENSIFICATION OF TECHNOLOGICAL INNOVATION

As announced, the Group intensified its R&D efforts over the period. Although the number of Group employees assigned to Research & Development remained almost stable over the first half of 2013, focus on innovative SmartMS™ product and technology has increased significantly.

This shows the Group's ability and intention of reinvesting part of its profits in R&D and sustaining a perpetual development and innovation dynamic in order to best meet its clients' expectations and to stand out from its peers on a market that remains highly competitive.

Abroad, the Group has structured and developed its Tunisian subsidiary, notably for developments relating to the new SmartMS™ product. However, the Group's workforce remained under control, notably because of redeployments and reorganizations in other Group subsidiaries, in the United States and China in particular.

FURTHER SALES PROSPECTS

The slowdown in sales activity anticipated and announced since the second quarter of 2013 was confirmed over the summer period, but prospects are nevertheless better than they were a few months ago. Major projects are being discussed and their impact could be positive from 2014. Having anticipated this temporary slowdown in sales negative impact on second half of the year revenues, the Group has sized its workforce in order to ensure that its operating costs are consistent with its activity level.

Although Group's core business momentum has been temporarily less positive over recent months, new SmartMS TM product sales prospects are very encouraging prior to the product's operational launch in the coming weeks.

New markets could efficiently supplement the historical markets on which the Group is maintaining its leadership, notably in next-generation solutions, messaging or charging systems. The strategic investments being undertaken today could then represent solid medium-term growth opportunities.

About StreamWIDE (Alternext Paris: ALSTW)

An established leader for value-added telephony services, StreamWIDE assists worldwide operators and service providers in shaping their telephony multimedia services innovation. From application servers to mobile and web apps, StreamWIDE delivers on-premise or cloud-based, end-to-end, carrier-grade NextGen VAS solutions in the areas of mobile messaging, voice messaging, virtual numbers and telephony for social networks, convergent charging, conferencing, call center services, ringback tones and IVR.

Operating from France, the USA, China, Romania, Tunisia, Austria, Russia, Argentina, Singapore, Indonesia, Australia and South Africa, StreamWIDE is listed on Alternext Paris (NYSE Euronext) - FR0010528059 – ALSTW.

For further information, go to http://www.streamwide.com our Twitter or LinkedIn pages

Next financial press release: 2013 annual revenue on February 24, 2014

Listed on Alternext Paris, a NYSE Euronext group market
ISIN: FR0010528059 - Ticker: ALSTW

StreamWIDE is an OSEO-Anvar "innovative company",
and is eligible for inclusion in "FCPI" (venture capital trusts dedicated to innovation.

Contacts

StreamWIDE
Pascal Béglin / Olivier Truelle
CEO / CFO
Tel: +33 (0)1 70 08 51 00
investisseur@streamwide.com

*New***Cap.**
Financial communication agency
Louis-Victor Delouvrier / Emmanuel Huynh
Tel: +33 (0)1 44 71 98 53
streamwide@newcap.fr