

OPERATING PROFIT BEFORE AMORTIZATION: +€0.5 MILLION
SIGNIFICANT REDUCTION IN STRUCTURAL COSTS
RESULTS RESILIENT TO THE TEMPORARY DOWNTURN IN REVENUE

Paris, September 22, 2014 – StreamWIDE (FR0010528059 – ALSTW – PEA-PME Eligible), the specialist in next generation, value-added telephony solutions for telecom carriers, announces an operating profit before amortization of €0.5 million, down €1.2 million compared with the first half of 2013. There was a core operating loss of €1.2 million and a net loss of €0.8 million, following a downturn in revenue over the first half of the year.

SIMPLIFIED INCOME STATEMENT – IFRS

In € thousands	June 30' 14		June 30' 13		Variation (K€)	Variation %
		% revenue		% revenue		
License revenue	875	26%	2,902	49%	-2,027	-70%
Maintenance revenue	1,461	43%	1,652	28%	-191	-12%
Service revenue	877	26%	874	15%	3	0%
Third-party sales revenue	209	6%	492	7%	-283	-58%
TOTAL REVENUE	3,422		5,920		-2,498	-42%
OPERATING PROFIT BEFORE AMORTIZATION	526		1,762		-1,236	-70%
OPERATING PROFIT	-1,154		274		-1,428	
Other operating costs / income	-157		-119		-38	
Financial costs / income	-21		1		-22	
Tax charges	570		-23		593	
NET PROFIT	-762		133		-895	

As expected, the Group's results for the first half of 2014 were affected by the substantial decrease in revenue over the period. The trend having been noticeable for the last year, the Group has demonstrated a clear ability to be resilient by adapting its fixed cost structure in order to reduce its breakeven point while maintaining its strategic investments. Today, the Group estimates that it has reached an inflection point and remains confident regarding 2015: its traditional activity should see a return to a certain sales momentum and the new innovative corporate instant messaging offer (TeamOnTheRun) should be a major growth driver.

SECTORAL INERTIA AND TEMPORARY DOWNTURN IN REVENUE

Revenue was down €2.5 million at June 30, 2014, compared with the first half of 2013. Operators' investments having been devoted in priority to network infrastructures in recent months, to the detriment of investments in services, the sales momentum over the first half of 2014 was slowed by the sector's current apathy and inertia across every geographical region apart from the United States. Furthermore, recent geopolitical events (conflicts and epidemic) have significantly slowed trade in key geographic regions for the Group (Middle East and West Africa).

RESILIENCE OF THE GROUP'S RESULTS

The new orientations of the Group's traditional market have forced it to significantly optimize its cost structure over the last two halves. Expenses over the first half of 2014 (excluding amortization) were thus cut by almost €1.2 million, i.e. a reduction of 30% compared with the first half of 2013.

The payroll was notably reduced by €0.9 million over the first half of 2014, to €3.3 million compared with €4.2 million a year earlier, including development costs. The results of these structural efforts should intensify and become even more visible over the second half of the year.

Within this difficult context, the Group's development efforts were nevertheless maintained, albeit reoriented. The capitalization of R&D expenses generated a positive effect of €0.4 million on net profit before tax (€1.5 million in capitalization of development costs and €1.5 million in amortization, offset by a Research Tax Credit liability of €0.4 million), although this figure was down compared with the first half of 2013 (positive net impact of €0.8 million).

SOLID FINANCIAL STRUCTURE

At June 30, 2014, the total balance sheet stood at €21.5 million, compared with €23.2 million a year earlier, notably as a result of the reduction in client receivables and the evolution of the Group's results over the period.

The Group's financial situation remains very solid, with significant shareholders' equity (€13.1 million) and a cash position of €6.2 million at June 30, 2014 (and indeed currently over €7 million, notably following the reimbursement of the €0.8 million in Research Tax Credit due for 2013). The significant reduction in structural costs and efficient cash management have given the Group the ability to absorb the expected decrease in 2014 revenue.

OPPORTUNITIES, NEW PRODUCT AND NEW MARKET WITH SUBSTANTIAL POTENTIAL

As soon as telecom operators resume their investments in services (messaging, billing systems, virtual numbers, etc.), the sales momentum will become positive again for the Group. Indeed there are still some opportunities at the current time that should allow the Group to record a better second half of the year in terms of revenue and results.

The launch, at the end of June 2014, of the "Team On The Run" corporate instant messaging service, available in "software as a service" (SaaS) mode via the www.teamontherun.com website, App stores and Google Play, is enabling the Group to position itself on new, emerging and high-potential B2B corporate markets. Appetite for this innovative, reliable and secure multi-feature solution should be confirmed in the coming months, following a period during which the solution is being made available for free through to the end of 2014. Development efforts regarding this solution are being maintained in order to remain at the forefront of this market and record recurrent revenue from early 2015.

Within a difficult economic and sectorial context, the Group has efficiently reorganized itself in order to adapt to the market's new orientations. The second half of 2014 should enable it to validate and consolidate these efforts. The solidity of its financial structure is allowing it to currently carry out strategic investments (instant messaging applications aimed at businesses, but also at the general public) that should represent solid growth drivers, in a high-potential emerging market.

Next financial press release: 2014 annual revenue, on Monday February 23, 2015

A propos de StreamWIDE (Alternext Paris : ALSTW)

Acteur majeur sur le marché des services téléphoniques à valeur ajoutée, StreamWIDE se positionne comme le fournisseur de l'innovation des opérateurs fixes et mobiles partout dans le monde.

Des serveurs d'application aux applications web et mobiles, StreamWIDE fournit des solutions de nouvelle génération on-premise ou cloud-based, bout-en-bout, carrier-grade dans les domaines de la messagerie vocale, du mobile messaging, des services de téléphonie pour réseaux sociaux et de numéros virtuels, des services de centre d'appels, des services de conférence et de taxation d'appels.

Opérant depuis la France, les USA, la Chine, la Roumanie, la Tunisie, l'Autriche, l'Argentine, l'Indonésie et l'Afrique du Sud, StreamWIDE est coté sur Alternext Paris (NYSE Euronext) - FR0010528059 – ALSTW.

Pour plus d'informations, <http://www.streamwide.com>, <http://www.teamontherun.com> ou visitez nos pages [LinkedIn](#) ou [Twitter](#).



Coté sur Alternext Paris, marché du Groupe Euronext

ISIN : FR0010528059 - Mnémo : ALSTW

Labellisé « entreprise innovante » par Bpifrance, StreamWIDE est éligible aux FCPI et aux PEA-PME



Contacts

StreamWIDE

Pascal Béglin / Olivier Truelle
Président Directeur Général / DAF
Tél.: +33 (0)1 70 08 51 00
investisseur@streamwide.com

NewCap

Agence de communication financière
Louis-Victor Delouvrier / Emmanuel Huynh
Tél. : +33 (0)1 44 71 98 53
streamwide@newcap.fr