

## Financial information 1<sup>st</sup> Half 2011

- **EBITDA grows 61%: €2.1 M, compared to €1.3 M in H1 2010**
- **EBIT, slightly negative at - €0.2 M after €0.8 M of restructuring and exceptional costs, also improves dramatically compared to - €1.1 M in H1 2010**

**Paris – August 31<sup>st</sup>, 2011** – Hubwoo (Euronext: HBW.NX), a leading global provider of Cloud Procurement solutions powered by SAP® software, today announced financial information for H1 2011, in accordance with the “*European Transparency Obligations Directive*” financial disclosure requirements.

Greg Mark, Hubwoo CEO commented: “*On July 28th we announced H1 2011 revenue of €17.8M. We today confirm an EBITDA profitability level of €2.1 M which shows continued improvement in the optimisation of the cost base of the company. The Company has implemented structural changes to its operational sales force, has renegotiated legacy contracts to market levels, and has new SAP and Crossgate sales channels now in place. As a result we are confident with the current evolution of the sales pipeline and the prospective of new orders over the next two quarters that will positively impact our revenue only progressively.*”

### 1. Financial data

€ Million	2010	H1 2010	H1 2011	variation in % (**) H1 2011vs H1 2010
Revenue	37.6	17.7	17.8	1%
EBITDA (*)	4.0	1.3	2.1	61%
Net Earnings	-0.9	-0.9	-0.8	-14%
Operating Cashflow	3.0	0.9	0.7	-25%
Cash	3.7	3.2	6.5	100%

(\*)EBITDA: Operating result before depreciation and non recurring items.

(\*\*) Percentages are calculated on exact numbers, not the rounded numbers shown

The 2011 half year condensed consolidated financial statements have been reviewed by the auditors and were approved by Hubwoo Board of Directors on August 26<sup>th</sup> 2011.

# HUBWOO

## CLOUD PROCUREMENT

H1 2011 revenue was €17.8 million, slightly above (+1%) the level of H1 2010. Despite this modest growth, the EBITDA line improved by 61% as compared to the same period in 2010. Personnel costs and external costs were down by 8% and 7% respectively versus H1 2010. These results reflect the success of the measures taken to rationalise the group's cost base and improve cost control procedures.

As a result, EBITDA was €2.1 M compared to €1.3 M in H1 2010. As a percentage of revenue EBITDA this semester represented 12% of revenues, as opposed to 7% in the first half of 2010.

During H1 2011 the group initiated its plan to restructure its sales force in Europe which was substantially completed. Along with other exceptional items, these actions translated into exceptional restructuring costs of €0.8 M, reflected in EBIT.

EBIT was - €0.2 M, as compared to - €1.1 M in H1 2010, showing again a very strong improvement year over year.

The group recorded a net loss of - €0.8 M, compared to - €0.9 M in H1 2010. The prior year comparative period, H1 2010, included the positive impact on the tax result of €0.6 M due to the initial recognition of deferred tax assets on the available losses carried forward in the German entity of the Group.

Free cash-flow was positive by €0.7 M in H1 2011 with a strong level of capital investment amounting to €1.4 M, compared to €0.5 M in H1 2010. Capital investment was substantially R&D related, in both applications and The Business Network, as well as the acquisition of licenses from business partners. Financial debt repayments were €0.4 M, mainly related to leasing arrangements. The cash flow for the period included the net proceeds of the capital increase from Q1 2011 of €3.9 M. The closing H1 2011 cash position was €6.5 M, as compared to the opening position of €3.7 M.

## **2. Major H1 2011 events**

### **New Buyer Contracts**

Significant new contracts during H1 2011 included 50 Hertz Transmission, Barclays, Bombardier, Consol Energy, Ecopetrol, Kerry, Lanxess, Lloyds, Nationwide, Rolls Royce, Shell, TÜV SÜD, United Utilities, Wilo, and WR Grace.

### **Crossgate and SAP Network Alliance**

The alliance which was announced in H1 2011 has progressed into a commercialized joint solution that is certified as a solution extension by SAP AG and is now operating as a global sales collaboration. The sales pipeline that was built in H1 is promising, with orders from this new sales channel already realized as of the date of this release.

### **Update to Board of Directors**

Update to Board of Directors: Dr. Hartmut Müller has notified the Board of Directors that he will relinquish his Board role due to his retirement from Infracor GmbH. Greg Mark, Chairman of the Board commented: "On behalf of the members of the Board of Directors and the company as a whole, we wish to thank Dr. Müller for his support to the Company and wish him well."



**About Hubwoo** ([www.hubwoo.com](http://www.hubwoo.com))

Hubwoo is the world's leading provider of on-demand procurement solutions for the SAP community. The Company manages a Business Network with over 200,000 active suppliers and over 150 major international corporations as buyer customers of which 50+ are in the Global 1000. Significant customers include Honeywell, Shell, Evonik, EDF, Nokia, Monsanto, Michelin, Henkel, Statoil, The Hershey Company, CONSOL Energy, EcoPetrol, Carl Zeiss, Burton's Foods, and The Dow Chemical Company. Hubwoo has major operations in France, multiple U.S. centers, Germany, the U.K., Philippines, Belgium, and Eastern Europe.

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