Results 2011/2012: sharp improvement in profitability and zero net debt

Paris, June 4, 2012 - ***Generix Group, collaborative software vendor for Retail ecosystem, today issued the results for its fiscal year 2011/2012 ended March 31, 2012.***

➔ Return to positive current operating income of €0.9 M, an improvement of €6.1 M

Generix Group reported a current operating income of €+0.9 M for financial year 2011/2012, an improvement of €6.1 M compared to the previous year. This return to an operational surplus for the first time since financial year 2007/2008 represents, despite a small decline in overall revenue (-3%), an important increase in profitability, which followed the actions focusing on the Group's profitability and the development of its business model.

The sales mix is shifting towards:
- more profitable activities with a 6% growth in Publishing activities, driven in particular by a recovery in sales growth over the second half;
- the recurring activities On Demand and Maintenance represented 52% of revenue in 2011/2012 compared to 34% four years ago.

The €6.1 M increase in current operating income is due to a significant reduction in operating expenses:
- a €2.2 M decrease in personnel costs following the reorganization plan implemented during the financial year;
- a €2.4 M decrease in other purchases and external expenses thanks to the decrease in subcontracting and fixed costs;
- a €2.9 M gain in net depreciation expense and provisions compared to the previous year, including a reversal net of provisions for contingencies and loses, in strong improvement compared to 2010/2011, marked by a €1 M charge for loses on completion for fixed-price projects.

The other operating expenses and income (€1.8 M) correspond to the costs incurred under the reorganization plan announced on September 14, 2011, and implemented during the second half of the year. It is important to note that in 2011/2012, the Group only enjoyed a small part of the savings related to this plan, which will represent €3.2 M over a full year.

The operating income amounted to €-0.9 M, an improvement of €4.3 M.

After taking into account the financial income and income taxes, the net income amounted to €-2.1 M, an improvement of €3.6 M.

IFRS consolidated accounts, in millions of Euros (unaudited)	Twelve months ended March 31, 2011/2012	2010/2011	Change m€	%
Revenues	**64,3**	**66,2**	**-1,9**	**-3%**
Which licenses	*8,0*	*7,1*	*0,9*	*13%*
Which maintenance	*22,7*	*22,1*	*0,7*	*3%*
Which SaaS	*11,0*	*10,2*	*0,8*	*8%*
Which Consulting Services	*22,5*	*26,8*	*-4,3*	*-16%*
Operational expenses	-63,4	-71,4	8,0	-11%
Loss from current operations	**0,9**	**-5,2**	**6,1**	**NA**
Other operational income and expenses	-1,8	-	NA	NA
Loss from operations	**-0,9**	**-5,2**	**4,3**	**-83%**
Financial expenses	-0,7	-0,7	0,0	5%
Loss before income taxes	-1,6	-5,9	4,3	-73%
Income taxes benefit	-0,5	0,3	-0,7	NA
Net result	**-2,1**	**-5,6**	**3,6**	**-63%**

➔ Sharp improvement in EBITDA, at €2.5 M

EBITDA in millions of Euros (unaudited)	Twelve months ended March 31, 2011/2012	2010/2011	Change m€	%
Revenues	64,3	66,2	-1,9	-3%
Cost of goods sold	-2,1	-2,1	0,0	1%
Other purchases and external expenses	-16,7	-19,1	2,4	-13%
Taxes and similar payments	-1,7	-1,7	0,0	2%
Personnel costs	-39,8	-42,0	2,2	-5%
Reversals of used provisions during the half year period	-0,4	-0,2	-0,2	89%
Capialized production	-1,1	-0,9	-0,2	19%
EBITDA (1)	**2,5**	**0,3**	**2,2**	**724%**

(1) The cost of the reorganization plan implemented during the second half of 2011/2012 was classified under other operating expenses, in the amount of €1.8 M.

After restating the accounting items with no impact on the cash position, the strong growth of the EBITDA compared to the previous year demonstrates the return of cash generating operations.

➔ Zero net debt at the end of March 2012

Consolidated statements of cash flows, in millions of Euros (unaudited)	Twelve months ended March 31, 2011/2012	2010/2011	Change m€	%
Net income adjusted by non-cash items	1,7	0,5	1,2	-165%
Change in working capital	-3,8	2,7	-6,5	22%
Net cash by operating activities	-2,1	3,2	-5,3	-167%
Net cash used in investing activities	-1,4	-1,9	0,5	-27%
Net cash by financing activities	9,0	-3,4	12,4	66%
Net decrease in cash and cash equivalent	5,5	-2,1	7,6	-361%
Cash and cash equivalent, end of period	**9,2**	**3,7**	**5,5**	**148%**

Net debt, in millions of Euros (unaudited)	Twelve months ended March 31, 2011/2012	2010/2011	Change m€	%
Cash and cash equivalents, end of period	9,2	3,7	5,5	149%
Short-term and long-term portions of financial obligations	-9,3	-8,1	-1,2	15%
Net debt	**-0,1**	**-4,4**	**4,3**	-98%

Financial year 2011/2012 was marked by:

- the success of the capital increase of €8.3 M;
- the signature of a factoring contract enabling the Group to benefit from a €3 M financing on March 31, 2012;
- an increase in the working capital requirements of €3.8 M due mainly to a decrease in the supplier payment period.

These items and the improvement of the net income adjusted by non-cash items allowed the Group to improve its cash flow by €5.5 M, compared to a consumption of €2.1 M over the previous year.

The improvement in cash flow also enabled the Group to have almost zero net debt on March 31, 2012, compared to shareholders' equity of €37.5 M.

➔ Conclusion & Outlook

The investment and adaptation phase of the structure is now complete.

The 2011/2012 financial year results confirm the improvement announced in the revenue release on April 20, 2012.

After an 87% growth in SaaS contracts signed in 2011/2012 compared to the previous year, we are starting the 2011/2012 financial year with confidence. The priority is on the group's profitability and the confirmation of sales growth.

Supplemental and non-IFRS Financial Information

Supplemental non-IFRS information (above-mentioned as EBITDA and Net Debt) presented in this press release are subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered as a substitute for IFRS measurements. Also, the Company's supplemental non-IFRS financial information may not be comparable to similarly titled non-IFRS measures used by other companies.

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Next press release: July 23, 2012, after closing of the stock exchange
Release of first quarter revenues of financial year 2012/2013

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About Generix Group

Generix Group provides the rapidly evolving Retail Ecosystem with leading Collaborative Software Solutions to operate profitably, adjust effectively, and grow sustainably. Generix Group helps retailers, third party logistics providers and manufacturers, in managing, sharing and optimizing their data flows. Generix Collaborative Business portfolio relies on a strong business expertise encompassing ERP, Supply Chain and Cross-Channel management, and uniquely leverages an A2A/B2B Gateway and Portal solutions.
Carrefour, Cdiscount, DHL, Gefco, Kuehne + Nagel, Leclerc, Leroy Merlin, Louis Vuitton, Metro, Nestlé, Sara Lee, Sodiaal, Unilever... more than 1,500 international companies trust "Generix Collaborative Business" solutions to profitably run their business, establishing Generix Group as an European leader with 64+M€ revenue.
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