



First Half FY 2012-2013 Consolidated Results

ST. CLOUD, France and Vienna, VA, February 12, 2013 - Systar (ISIN : FR0000052854-SAR), a leading provider of Operational Intelligence software, today announced its revenues for the first half of fiscal year 2012-2013, which ended December 31, 2012.

Good level of activity in the 4th quarter

After a first quarter which is traditionally not indicative of broader performance as it corresponds to the reduced activity of the summer months, Systar recorded strong sales performance during the second quarter of fiscal year 2012-2013, reaching € 7.0 million in revenues, with licenses up 34%, maintenance up 7% while services declined 16%.

During the first half, software revenues (License and Maintenance) increased by 11%, fueled by license revenue growth (19%), despite a challenging economic environment, budget constraints and an unfavorable comparable from the first half of fiscal year 2011-2012.

Due to the strong license sales, the proportion of software in the revenue mix continued to increase to 74% of consolidated revenues (up 8 points from 66% in the first half of the previous fiscal year).

Consolidated revenues, M€	H1 2011-12	H1 2012-13	Variation
License	2.9	3.4	+19%
Maintenance	4.1	4.3	+6%
Total software	7.0	7.8	+11%
Services	3.7	2.7	-26%
Total revenues	10.6	10.5	-1%

Totals may differ from the sum of the numbers due to round-offs

The move to outsource services and lessen their proportion in the revenue mix is now largely completed. As a result, services revenue should stop decreasing in the coming quarters. Ultimately, implementation services are to be primarily provided to customers by integration partners, while Systar will continue to provide expertise services, consultancy and training to customers and partners.

During this first half, 48% of revenues came from France, 34% from Europe-APAC and 18% from North America.

The evolution of Systar's business model and investments have weighed exceptionally on profitability in H1

The investments made by Systar starting in the spring of 2012 to prepare the company for the launch of the new products (increased R&D, field tests, marketing, expanding the sales force) produced their full impact on the level of expenses during the first half. In parallel, the evolution of Systar's business model toward the focus on software was accompanied by non-recurring expenses.

These charges and investments weighed exceptionally on profitability and reduced Operating income to breakeven vs. € 1.3 Million in the first half of the previous fiscal year.

The increase in expenses is expected to slow down in the second half as the investments for the launch of the new products have largely been made already.

In millions of Euros	2011-12	2012-13	Variation
Consolidated Revenues 1 st quarter	4.3	3.5	-18%
Consolidated Revenues 2 nd quarter	6.3	7.0	+10%
Consolidated Revenues 1 st half	10.6	10.5	-1%
Current Operating Income	+1.3	0.0	N/A
Consolidated net income	+1.1	0.0	N/A

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On December 31, 2012, cash net of financial debts was positive at € +0.2 Million vs. € +1.0 Million a year ago; the decrease is due to the purchase of treasury shares during calendar year 2012 for a total of € 1.8 Million. On December 31, 2012, stockholder equity was at € 9.5 Million vs. € 9.7 Million a year ago.

Improved perspectives

Although customers remain cautious and purchase decision cycles remain long due to economic conditions, they convey that they expect their investment outlook to evolve favorably and that purchase constraints should loosen gradually.

In addition, decision-makers, including in the banking sector, realize that monitoring and optimization solutions are increasingly necessary due to demands for regulation and compliance and also because of the complexity and criticality of the IT infrastructure and of the business processes that rely on it.

These trends lead to more new projects and as a consequence to a larger number of license deals in the pipeline, across all geographic areas.

Systar intends to continue its revenue momentum in the medium to long term, with a more favorable mix and margin profile. And now that the transformation of services is completed, services revenue should remain stable close to current levels.

For the past four years, Systar has chosen a strategy centered on innovation to overcome the challenges generated by the global economic crisis, reinvesting every year over 20% of its revenues in R&D. These investments will result in the launch of several new products which will in turn foster revenue growth starting next fiscal year.

In particular, Systar is preparing the release of Tornado, its new platform, which for the first time in the industry incorporates all the latest technologies critical to the resolution of Operational Intelligence problems, including in Big Data and Cloud environments. The result of more than 150.000 hours of R&D, Tornado combines an unparalleled depth of analysis and unmatched speed of implementation, leading to shorter sales cycles and faster adoption by partners. Its flexibility of use, its ability to learn from the past, its modeling and diagnosis power will further increase Systar's advantages over its competitors.

Revenues for the third quarter of fiscal year 2012-2013 will be released on April 23, 2013

About Systar

Over 180 clients worldwide, including 10 of the world's 15 largest banks, rely on Systar's performance management software to transform their business and IT operations from reactive to proactive, solving problems prior to impacting the business. Systar is widely regarded as the leading provider of Business Activity Monitoring (BAM) solutions and offers innovative Virtualization Management and IT Governance software for physical and virtual server and storage environments. Systar is listed on the NYSE Euronext Paris Stock Exchange (ISIN: FR0000052854-SAR), and has offices in North America and Europe. More information about Systar is available at www.systar.com.

Systar is a provider of Operational Intelligence software

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