



FOR IMMEDIATE RELEASE

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2012 net income: 6% of revenue

270% growth in SaaS revenue

Free cash flow: €4.9M

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Cameleon Software (PAR:CAM), the global leader in product design, sales configuration, quotes, and proposals software, today announced its net income for fiscal 2012, as approved by its Board of Directors meeting on February 14, 2013.

(€ Millions)	2012	2011
Software revenue	7.55	6.20
Services revenue	2.89	2.02
Revenue	10.43	8.22
Gross margin	10.21	8.11
Employee benefits	(6.89)	(6.09)
Current operating profit	0.57	(0.91)
Non-recurring costs	(0.03)	(0.55)
Operating profit (loss)	0.54	(1.47)
Financial and other	0.06	0.09
Net income (loss)	0.60	(1.38)

(IFRS, provisional data)

Provisional consolidated revenue totaled €10.43M in fiscal 2012, vs. €8.22M in 2011, growing by +27% over the year.

In the fourth quarter, the Group continued to develop its SaaS sales in the US, in particular by signing contracts with one of the global leaders in optics and ophthalmology and with the world's leading

media group for education. Business in this region grew by +39% over the year. Cameleon Software also made large sales to key accounts in the insurance and mutual insurance sector in Europe. MMA, the 3rd largest broker network-based insurance company in France, will roll out the Cameleon solution to all of its sales channels and materials. Cameleon has in this way become the natural CPQ leader in these markets. In 2012, the company also strengthened its established customer base in the Manufacturing, High Tech and Life Science sectors.

Recurring revenue (maintenance and SaaS fees) represented 40% of consolidated revenue in 2012. SaaS revenue rose by 270% over the period.

Net Income and Cash Flow

The Current Operating Income has benefited from the increase in business, with a breakeven point in line with forecasts at €9.83M. Net Income is positive in the amount of €0.6M, vs. a €1.38M loss in 2011.

Note that the company did not capitalize any R&D costs.

The R&D to revenue ratio is 18% for fiscal 2012, vs. 25% in 2011. Given the company's development, this ratio should stabilize, or even fall, in the coming years.

Also note the sharp rise in the company's net cash position, which increased from €1.76M at December 31, 2011 to €4M at December 31, 2012, which is due to the income over the period and a positive change in the working capital requirement.

Closing balance sheet at December 31, 2012

The closing balance sheet broke down as follows:

Assets in €M	2012	2011
Goodwill	2.80	2.80
Other non-current assets	0.73	0.77
Trade receivables	5.05	5.42
Other current assets	0.47	0.58
Cash and cash equivalents	4.87	2.02
Goodwill	13.92	11.58
Liabilities in €M	2012	2011
Shareholders' equity	5.09	4.31
Long-term financial debt	0.87	0.06
Short-term financial debt	-	0.20
Trade payables	0.88	0.87
Other debt	2.79	2.68
Deferred income	4.29	3.45
Total liabilities	13.92	11.58

(IFRS, provisional data)

Outlook for 2013

Jacques Soumeillan, the Chairman of Cameleon Software's Board of Directors, explains that "2012, which marked Cameleon Software's return to profit, is a testament to the wisdom of the strategic decisions made in 2009, when the company reinvented itself by focusing on its key asset, its CPQ solution and on its preferred market, large corporate clients. It subsequently launched the transformation of its business model into a SaaS model. This model consists of clients buying multiple year licences, which are gradually rolled out and billed annually. This regularly increases recurring

revenue, improves visibility and raises the profit margin, once the rampup phase is over. 2012 was a pivotal year that has now put us in the best possible position to continue our development among tier one organizations through our SaaS offering, both in the US and in Europe. Our healthy balance sheet, reinforced by a strong cash flow generation in 2012, will allow us to confidently roll out our development plan focused on innovation. These factors make us sure of our ability to maintain a strong sales momentum in 2013, which, because of the predominance of SaaS, will have a greater impact on new orders than on revenue in the short term".

About Cameleon Software

Cameleon Software is the global leader in multichannel, multi-device product configurator, quotes, proposals and eCommerce software. Cameleon solutions empower customers' sales teams to streamline their quote-to-order process and increase sales across all channels, and marketing teams to define and launch new products faster. Cameleon's solutions integrate to leading CRM and ERP systems including Salesforce, SAP, Oracle and Microsoft and are available both as SaaS or On Premises. Rated as Positive in the Gartner Group Marketscope, Cameleon Software is a public company with strong references in industries such as insurance and financial services, telecom, hi tech and manufacturing, including ADT/Tyco, Clear Channel, Gras Savoye, SFR, Technip and ThyssenKrupp.

For more information, visit: www.cameleon-software.com and www.salesforce.com/appexchange.



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