



First Half FY 2013-2014 Consolidated Results

License Revenues Up 30%

ST. CLOUD, France and Vienna, VA, February 12th, 2014 - **Systar** (ISIN: FR0000052854 - SAR), a leading provider of Operational Intelligence software, today announced its revenues and income for the first half of fiscal year 2013-2014, which ended December 31, 2013, as approved by the board meeting held on February 10, 2014.

License sales boosted by the success of Tornado

The key element of the first half is undoubtedly the acceleration of the success met by the new Tornado platform which contributed to the very good performance of license sales.

Equally split between France and North America, Tornado licenses reached € 1 Million, double the level during the immediately preceding semester and accounting for 22% of all license sales. The most significant fact is that all these sales were achieved with much shorter sale cycles (3 to 6 months vs. 9 to 12 months previously) and mainly with new customers (78%).

Consolidated Accounts, M€	H1 2013-14	H1 2012-13	Variation
License	4.4	3.4	30%
Maintenance	<u>4.3</u>	<u>4.3</u>	-1%
Total software	8.7	7.8	13%
Services	<u>2.0</u>	<u>2.7</u>	-26%
Total revenues	10.7	10.5	2%
Operating Income	+0.8	0.0	N/A
Net Income	+0.7	0.0	N/A

IFRS Standards - Audited accounts

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

License growth fueled by strong dynamics in North America

Consolidated license sales reached € 4.4 Million, almost as much in 6 months (81%) as during the full 12 months of the previous fiscal year.

License sales grew 30% during this first half and were primarily achieved abroad (63%), where the economic environment proved to be more favorable than in France.

This license momentum entailed 13% growth of Software revenues (License and Maintenance), which represent 81% of consolidated revenues, (up 15 points over the last 2 years), while the proportion of services declined accordingly in the revenue mix. Implementation services are primarily provided to customers by integration partners, while Systar's focus is on the higher margin services which are traditionally provided by the software vendor, such as training, expertise and consulting services.

In geographic terms, 43% of consolidated revenues came from France, 37% from Europe-APAC and 20% from North America. The strongest revenue growth was recorded in North America (+15%), followed by Europe-APAC (+9%), while revenues declined 7% in France.

Return to profitability during the first half

The cost adjustments which had been implemented at the beginning of the new fiscal year after the poor results of last fiscal year and which were mainly focused on reducing subcontracting and general expenses started to produce their impact during this first half.

The reduction of the breakeven point combined with the growth of software revenues, and consequently a more profitable revenue mix, had a positive impact on the operating income which reached + € 0.8 million, vs. zero during the first half of the previous fiscal year. When taking into account non-recurring expenses related to the adjustment measures implemented at the beginning of the fiscal year (€ 0.6 Million), the adjusted operating income would have reached + € 1.4 million, ie an adjusted operating margin of 13%, a level previously reached in the best years 2007 and 2012.

Consolidated net income also grew to stand at + € 0.7 Million vs. zero a year ago.

On December 31, 2013, cash stood at + € 3.8 Million and cash net of financial debts was positive at + € 0.2 Million, the same level as a year ago.

Improved perspectives

Systar's perspectives have greatly improved through the repeated successes of Tornado in the field.

The impact of Tornado is to reduce sales cycles, gain new customers more rapidly, open new market segments more easily (such as logistics, supply chain or Business Process Outsourcing) and facilitate indirect sales. All these factors are decisive to broaden the distribution of Systar's Operational Intelligence solutions and generate strong, sustainable and profitable growth.

The advantages provided by Tornado reinforce the trend that makes customers consider monitoring and optimization solutions as increasingly necessary due to demands for operational efficiency, regulation and compliance, and also because of the complexity and criticality of the IT infrastructure and of the business processes that rely on it.

The combination of this fundamental trend and the availability of our improved product offerings leads to more new projects at customers and as a consequence to a larger number of license deals in the pipeline, across all geographic areas but mainly out of France where the economic conditions continue to have a negative impact on the customers' investments.

For several years, Systar has chosen a strategy centered on innovation, reinvesting every year over 20% of its revenues in R&D. These investments will now produce their full impact with the launch of Tornado which is expected to accelerate the growth of our sales and to open new markets beyond banking and IT industries where Systar has already acquired dominant positions.

**Revenues and results for the third quarter of fiscal year 2013-2014,
will be released on April 23rd, 2014**

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.

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Systar is a leading provider of Operational Intelligence software

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