StreamWIDE

SHAPING INNOVATION

Press release

POSITIVE FIRST-HALF RESULTS, AND A PROJECTED UPTURN

Paris, September 24, 2012 – StreamWIDE (FR0010528059 – ALSTW), the specialist in next generation, value-added telephony solutions for telecom carriers, today announces its results for the first half of 2012. Core operating profit totaled €47k and net profit was also slightly positive. These results are not representative of the Group's expectations for 2012 as a whole. The first-half situation does not reflect the fine sales performances achieved by the Group over the period, as operational delays were observed amongst some operators, pushing the Group's revenue back correspondingly. These delays should be resolved over the second half of the year, and a significant upturn in revenue and results is therefore expected.

SIMPLIFIED INCOME STATEMENT

In € thousands	June 30' 12	%rev	June 30'11	%CA	Variation (K€)	Variation %
License revenue	**2,472**	45%	**3,160**	60%	**-688**	-22%
Maintenance revenue	**1,321**	24%	**1,138**	21%	**183**	16%
Service revenue	**749**	14%	**655**	12%	**94**	14%
Third-party sales revenue	**964**	18%	**349**	7%	**615**	176%
TOTAL REVENUE	**5,506**		**5,302**		**204**	**4%**
OPERATING PROFIT	**47**		**1,261**		**-1,214**	
Other operating costs / income	-234					
Financial costs / income	136		-178		314	
Tax charges	58		-471		529	
NET PROFIT	**7**		**612**		**-605**	

Revenue

Group revenue increased by €0.2M over the first half of 2012. The period saw a reduction in license sales following operational delays in the launch of some major platforms by certain clients at June 30, 2012, clients who are independent of the Group. This decrease was more than offset by the increase in maintenance revenue and third-party sales, although the latter generates a lower margin than license revenue.

Revenue prospects for the second half of the year, notably in the American zone, should allow the Group to compensate for the lag in license revenue observed at June 30, 2012. The delays some clients were seeing in the launch of the production of their systems having been partly made up over the summer, the Group's annual revenue should grow significantly.

Results

The temporary fall in license revenue explains the decrease in first-half growth, although these results are not a fair reflection of the financial year as a whole. This is the first year in which the Group has seen such significant differences between one half and the next because of delays.

However, the current order book provides good visibility on the latter part of 2012, which should thus see a significant second-half contribution in terms of both revenue and results.

The increase in operating costs (+€1.4M over the first half of 2012) is essentially the result of the increase in purchases (+€0.4M) – the downside of third-party sales –, higher labor costs (+€0.5M) and an increase in the amortization of capitalized Research & Development costs.

Over the first half of 2012, the evolution of forex rates, notably in the US and China, had a negative impact on the Group's payroll. Furthermore, the American teams were strengthened to anticipate and ensure the upramping of activity over the second half of 2012.

The amortization of Research & Development costs increased by €0.4M in net value over the period, following the amortization expense written down over the year on some major products and projects. The Group is pursuing its R&D efforts so that it can continue to be a major player in innovation. Some products have, or soon will, reach maturity, which will allow the Group to reallocate its engineering teams to new projects in the coming months.

There was a first-half financial profit of €0.1M, an increase of +€0.3M, because of the change in the $/€ parity over the period. The Group does not use any hedging instruments, as inflows and outflows of US dollars remain balanced over the period. The expected inflow of US dollars over the coming months should provide a significant contribution to the Group's cash position.

The tax burden at June 30, 2012 decreased, following the downturn in first-half results and a lower deferred tax effect than previously.

Financial structure

At June 30, 2012, the total balance sheet stood at €20.4M, versus €18M at December 31, 2011, notably due to the impact of the capitalization of the Group's R&D expenses and related deferred tax income (research tax credit).

The Group took out a bank loan of €0.9M at the start of the period to cope with time delays in some production launches, and therefore revenue, as soon as the possibility of these delays arose. This 5-year loan should be fully or partly reimbursed in the short term.

The Group had a net cash surplus of €2.1M at June 30, 2012. Furthermore, a dividend of €0.2 per share was paid in July 2012.

Outlook

Whilst first-half results were limited by the delays observed in some production launches at June 30, 2012, second-half results should fully benefit from the catch-up effect, notably in terms of license revenue.

This expected upturn in revenue, well-controlled operating costs, the current organization and the signing of major contracts in America since the start of 2012 should all enable the Group's revenue and results to improve substantially by the end of 2012.

Its various sales channels (direct and indirect) allow the Group to optimally manage any sales opportunities, whatever the geographical zone.

Despite a global economic context that still calls for a certain amount of caution, the Group therefore remains confident in the 2012 annual trend.

About StreamWIDE (Alternext Paris: ALSTW)

An established leader for value-added telephony services, StreamWIDE assists worldwide carriers and service providers in shaping their telephony services innovation.
StreamWIDE next generation software technology enables legacy systems replacement, as well as on-premise or cloud-based innovative services in the areas of voice messaging, virtual numbers and telephony for social networks, convergent charging, conferencing, call center services, ringback tones and IVR.

Operating from France, the USA, China, Romania, Tunisia, Austria, Russia, Argentina, Singapore and South Africa, StreamWIDE is listed on Alternext Paris (NYSE Euronext) - FR0010528059 – ALSTW.

For more information, visit www.streamwide.com or visit our Facebook or Twitter pages.

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Next financial press release: 2012 annual revenue: February 25, 2013

Listed on Alternext Paris, a NYSE Euronext group market
ISIN: FR0010528059 - Ticker: ALSTW

StreamWIDE is an OSEO-Anvar “innovative company”,
and is eligible for inclusion in “FCPI” (venture capital trusts dedicated to innovation).

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