SHAPING INNOVATION

Press release

OPERATING PROFIT BEFORE AMORTIZATION: +16%

Paris, March 25, 2013 – StreamWIDE (FR0010528059 – ALSTW), the specialist in next generation, value-added telephony solutions for telecom carriers, announces core operating profit of €2.3m for the year to December 31 2012, following a first half close to breakeven and a second half with an operating margin of 25%. As announced when 2012 annual revenue was published, the Group's core operating performance was affected by a change in the product mix and an increase in the amortization of R&D costs. Net profit totaled €1.3m over the year.

SIMPLIFIED IFRS INCOME STATEMENT (*)

In € thousands	FY 2012	%revenue	FY 2011	%revenue	Variation (K€)	Variation %
License revenue	**8,213**	*56%*	**7,274**	*63%*	**939**	13%
Maintenance revenue	**2,689**	*18%*	**2,351**	*21%*	**338**	14%
Service revenue	**1,646**	*11%*	**1,039**	*9%*	**607**	58%
Third-party sales revenue	**2,014**	*14%*	**796**	*7%*	**1,218**	153%
TOTAL REVENUE	**14,562**		**11,460**		**3,102**	**27%**
OPERATING PROFIT BEFORE AMORTIZATION	**4,469**		**3,844**		**625**	**16%**
OPERATING PROFIT	**2,252**		**2,757**		**(505)**	
Other operating costs / income	(355)		(218)		(137)	
Financial costs / income	(73)		114		(187)	
Tax charges	(487)		(819)		332	
NET PROFIT	**1,337**		**1,834**		**(497)**	

(*) Audit procedures are currently being carried out on the Group's consolidated accounts

Revenue

The Group's annual revenue increased by €3.1m in 2012 (+27%). All revenue categories recorded an improvement. Activity benefitted from a catch-up effect over the second half of the year, notably following the deployment of a number of contracts signed during the first half of 2012. Second-half revenue totaled €9.1m (+€2.9m), an increase of +47% compared with the second half of 2011.

Results

Core operating profit totaled €2.3m, giving a margin of 24.7% for the second half of 2012. Operating profit before amortization came to €4.5m, compared with €3.8m in 2011, or a significant increase of €0.6m (+16%).

The Group's Research & Development investment momentum continued in 2012, with such spending totaling €2.6m, the same as in 2011. The net impact on operating profit, once amortization and Research Tax Credit are taken into account (€2m in 2012 versus €0.9m in 2011), was +€1.3m in 2012 versus +€1.9m in 2011, a decrease of €0.6m between the two periods.

Once non-recurrent charges (specific wage costs and fees), a financial result impacted by a negative 2012 forex rate effect and €0.5m in tax are taken into account, net profit came to €1.3m. The decrease in the tax burden was essentially the result of a larger increase in the amortization of R&D costs in 2012 than in 2011, thus limiting results and the related tax charge. It should be remembered that the Group's annual tax charge has no impact on the Group's cash position, as the Group has tax loss carryforwards in France and the United States that have yet to be fully consumed.

The decrease in net profit was therefore primarily the result of the substantial increase in the amortization of Research & Development costs. Moreover, the change in third-party sales (€2m in 2012 versus €0.8m in 2011, or 14% of annual revenue in 2012 versus 7% in 2011), which by their very nature have lower margins than the Group's other revenue categories, also weighed on results.

Abroad, the Group structured its US subsidiary to enable it to generate and absorb an even larger volume of activity than that recorded in 2012 (when revenue was up +€2.2m, or +135%), which notably generated higher personnel costs than before. In China, economic conditions were less advantageous than in previous years, which also weighed on the Group's internal costs. The opening of the Tunisian subsidiary in early 2013 and its future development should notably make it possible to optimize certain development costs.

Financial structure

At December 31, 2012, the total balance sheet stood at €22.0m, compared with €18.0m at December 31, 2011, notably due to the impact of the capitalization of R&D costs (+€0.7m nets), client receivables (+€2.1m) that rose in line with revenue and tax assets and liabilities (research tax credit and deferred tax liabilities).

The Group had a net cash surplus of €1.7m at December 31, 2012. The substantial invoicing carried out over the final quarter of 2012 (Europe, Africa, America) weighed on the Group's cash position, as this revenue was unable to be written down before the end of the year. It should also be noted that some significant receivables written down at the end of 2012, including 2012 Research Tax Credits, were received in early January 2013. This positive cash flow should, as in previous years, allow the Group to pay a dividend (€0.23) on its 2012 results.

Outlook

Although the Group remains cautious regarding 2013 as a whole, it is currently confident in its ability to maintain the sales momentum initiated in recent months. The short-term visibility of the order book is satisfactory, and should allow the Group to record a good first half of 2013.

As announced, the Group's participation in the 2013 edition of the MWC (Mobile World Congress) trade fair in Barcelona has again enabled it to validate its innovation strategy. The success enjoyed by the Group's new products and its new SmartMS ™ technology (a new standard in mobile messaging providing telecom carriers with innovative and better-performing services enabling them to compete with their online peers) allows it to anticipate new medium-term growth drivers, in addition to the ongoing development of the solutions that have already been deployed.

The Group's R&D efforts will be maintained and targeted to further strengthen StreamWIDE's current positioning (innovation, responsiveness and efficiency). The development of international resources (America, Tunisia and Europe) will also continue in 2013 in order to consolidate the Group's international presence. This geographical and commercial diversification strategy, via the various distribution channels used (direct, indirect and via integrators) is allowing the Group to perform well despite the ongoing very difficult economic climate by fully benefiting from all existing growth opportunities, both commercial and technological.

About StreamWIDE (Alternext Paris: ALSTW)

An established leader for value-added telephony services, StreamWIDE assists worldwide operators and service providers in shaping their telephony multimedia services innovation. From core network solutions to mobile and web apps, StreamWIDE delivers on-premise or cloud-based, end-to-end, carrier-grade, IP-based VAS solutions 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, Indonesia, Australia and South Africa, StreamWIDE deploys dedicated local teams to provide delivery services, support, and assistance to each customer as they navigate their chosen path toward differentiation and increased profitability.

StreamWIDE is listed on Alternext Paris (NYSE Euronext) - FR0010528059 – ALSTW.

For further information, go to www.streamwide.com or visit our Twitter, Facebook or LinkedIn pages

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Next financial press release: H1 2013 revenue on July 22, 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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