

2012 ANNUAL RESULTS 2013 FIRST QUARTER TURNOVER

Double digit growth of Cloud Computing: +21%
Record Operating Profit: +21%
Pre-tax Operating Income: + 30%
Proposal to maintain dividend payment: €0.90 per share
Launch of ambitious «Target25» strategic plan



(Paris-FR0010202606-ALBFR), the European leader in financial CRM through SaaS¹, today announced its 2012 annual results and turnover for 2013 first quarter.

Consolidated Accounts Sidetrade Group (in €'000)	2012	2011	Variation
Turnover	13,004	12,582	+ 3 %
Operating Profit	2,878	2,376	+ 21 %
Pre-tax Operating Income	2,925	2,417	+ 21 %
Pre-tax Consolidated Income	2,833	2,185	+ 30 %
Net Result	1,981	1,781	+11 %
Operating Profit Margin	22.1%	18.9 %	-

**The consolidated accounts have been subject to audit. The certification report will be issued following completion of the procedures required for the publication of the annual financial report.*

The Sidetrade Group achieved an increase of 3.4% in revenue for the fiscal year 2012 with consolidated turnover of €13.00 M (2011: €12.58 M).

As expected, organic growth was largely driven by strong revenues from Cloud Computing, in contrast to Services activities (implementation, consultancy, business process outsourcing) which suffered from the weak economic environment.

SUCCESS OF THE SIDETRADE CLOUD: +21% GROWTH OF SAAS REVENUE

In 2012, subscription-based customers of the Sidetrade Cloud processed record volumes of more than 30.5 million invoices, posting a 26% increase over the previous year. This volume of invoices represents an equivalent number of payment activities, involving more than 1.2 million debtor companies, surpassing €82 Bn nominal value of business to business transactions. More than ever, the Sidetrade Cloud business constitutes the primary source of growth for the Group. Subscription-based revenues from the SaaS business continued to post double-digit growth with an increase of 21% during 2012.

Looking beyond these results, recurring SaaS revenues derived from multi-year contracts guarantee excellent visibility of medium-term business activity. In this regard, the SaaS order book at 2012 year end stood at €17.1 M. These unrealised committed revenues are not included in the income statement or the Group's 2012 year-end balance sheet.

¹ Software as a Service : model of providing software through the Internet and sold as a subscription service.

☛ RECORD OPERATING PROFIT: + 21 %

Sidetrade continues to demonstrate the strengths of the SaaS model whereby, over a certain volume threshold, operating costs level off while processing volumes continue to grow. This lever effect is evident once again over 2012.

2012 Operating Profit amounted to €2,878 K (2011: €2,376 K), a progression of 21%. This performance was particularly striking given that the 2012 result includes a significantly increased employee profit-sharing component €272 K (2011: €86 K).

In line with this record Operating Profit, the Sidetrade Group achieved an Operating Profit Margin of 22% in 2012 compared to 19% in 2011 and 16% in 2010.

Taking these factors into account, Pre-tax Consolidated Income for 2012 saw an increase of 30% to €2,833 K (2011: €2,185 K).

The Net Result for 2012 amounted to € 1,981 K (2011: €1,781), a progression of 11%. It is worth noting that the 2012 Net Result includes a tax payment of € 852 K, representing an effective tax rate of 30%. This compares to €404 K, or 18% for 2011, due to the depletion of carried forward losses.

As at December 31st 2012, the Sidetrade Group benefits from a solid net cash position of €7,534 K and continues to operate debt-free.

☛ PROPOSAL TO MAINTAIN DIVIDEND: €0.90 € PER SHARE

At the Annual General Meeting the Board of Directors proposed the payment of a dividend of €0.90 per share, the same amount as for the previous year.

The dividend yield on Sidetrade shares stands at 3.68% based on the April 29th 2013 closing price.

☛ 2013 1ST QUARTER TURNOVER

For 2013 first quarter Turnover, the Sidetrade Group saw a year-on-year reduction of 9.84% with Turnover of €3,125 K (2012 Q1: €3,466 K).

This decrease is due to an unfavourable base comparison (2012 Q1 witnessing a record Turnover), together with an anticipated reduction in services revenues following the exit from treasury consulting (non-strategic) and the termination of a business process outsourcing contract. The effect of these reductions in services revenues will be seen through to 2013 year end.

Management are confident in the Group's ability to further develop its activities over 2013 overall.

Revenues from the SaaS business during the first quarter made a strong contribution to Turnover and Gross Margin of the Group, posting double-digit growth (+15.5%) compared to 2012 first quarter.

☛ « TARGET25 », AN AMBITIOUS STRATEGIC PLAN

Having demonstrated the financial benefits of the SaaS model and in light of several recent international commercial successes, the Sidetrade Group is further convinced of the potential target market and its competitive position to become the world leader in Financial CRM.

A new strategic growth plan with a 3 to 5 year horizon is required in order to realise this goal. The aim of the « Target25 » strategic plan is to improve the financial performance of all companies involved, through innovative Cloud Computing solutions, coupled with bespoke professional services for each customer - from regional businesses through to multinationals. In practice, Target25 means setting an annual growth target of at least 25%.

Olivier Novasque, CEO of Sidetrade Group, explains:

« Our view at Sidetrade is simple. We are clearly at the end of a robust cycle which kicked off in 2005 and drew to a close at the end of 2012. We are at the brink of a new era. Having made substantial investments from 2005 through to 2008, we have continually seen profitability improvements annually, as seen with our record-breaking 2012 annual results, all the while remaining market pioneers proving the benefits of the SaaS model. Now we need to grasp the opportunity before us, because we have the product, the team and the market potential to make an extraordinary global venture. We simply can't pass up this incredible opportunity. »

« Target25 » strategic priorities

The Sidetrade's workforce is lined up and ready to put the « Target25 » plan into action through three main approaches.

1. From SaaS to Big Data or how to unlock business intelligence for companies through the daily management of the financial processes

Social and Mobile - The SaaS model is the growth engine of the Sidetrade business and will remain so. Market demand for this technology is based on the convergence of new ways of accessing software, new practices, mobility and the management of information in an economic environment dependent on solutions with a high return on investment. To meet these challenges, in 2013 Sidetrade will launch the first application for Smartphones and tablets to track Accounts Receivable, aimed at mobile users. In 2013 Sidetrade will also release the « Digital Collection » social media application, networking Sidetrade's 800 subscription-based customers with more than 1.2 million business customers through the first interactive dunning media

Big Data – The second theme uses the Sidetrade Cloud's consolidated technological lead, to turn the Sidetrade Network platform into a breakthrough technology. This is made possible by offering predictive models to subscriber customers to more effectively manage their business processes. Effectively, by handling 81 billion Euros of business-to-business financial transactions in 2012 across 32 million invoices with an equivalent number of payment events, Sidetrade can harness this immense reservoir of data. Analysis of this data for our subscriber customers supports the provision of exclusive services, to pin-point current industry best practices.

2. Global delivery of services while acting locally

The second avenue of Target25 centres on strengthening the business aligned services offered by Sidetrade in order to deliver these services throughout the world. Accordingly, Sidetrade announces the cessation of treasury consulting, deemed a non-core activity. The Working Capital Management consulting and Business Process Outsourcing consulting departments have been merged with effect from January 1st 2013 in order to add greater value to customers. The newly formed department, Sidetrade Cash Performance, is the new operational partner for customers of the Sidetrade Cloud.

3. Develop in high growth areas

The third focus of Target25 is a strategic offensive to gain market share through a doubling of investments in sales and marketing over the coming 18 months. Building on initial successes in the UK, 2013 and 2014 will see numerous international recruitments and openings in additional European countries, followed most likely by a presence in the USA and in Asia within a 3 to 5 year horizon.

At the same time, Sidetrade needs to support all market segments, from local businesses to multinationals, and needs to put in place an organisational structure to match. Consequently, Sidetrade announces today, an agreement made with Sage in France, to take over the latter's Accounts Receivable and Collection applications software activities. The transaction covers more than one hundred large customers and French SMEs, mostly using the Sage FRP Collect product under the traditional licence-based model. The challenge for Sidetrade will be to convert a group of these clients to adopt the Sidetrade Network platform under the SaaS model.

« Target25 is a real turning point in our history while building on what we have achieved so far. We have to seize the opportunity to become the global leader in our sector and we have the financial and human capital to do so. If in the short term, our profitability weakens to some degree, we still have no doubt regarding our ability to offer our shareholders a high value of potential growth over 3 to 5 years » concludes Olivier Novasque.

☛ NEXT ANNOUNCEMENT

Annual General Meeting 2013 : June 20th 2013 (11:00 am French time, Head Office of Sidetrade)
2013 first quarter Turnover : July 23rd 2013 (after market close)

☛ CONTACT SIDETRADE

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☛ ABOUT SIDETRADE (www.sidetrade.co.uk)

Sidetrade provides business solutions dedicated to Financial Customer Relationship Management. Sidetrade's market-leading solutions are complementary to ERPs, accelerate cash-flow generation and enhance profitability by reducing overdue payments and securing customer risk management. With sales in 65 countries, the group brings value to over 50,500 users in companies of all sizes and industries to collaborate effectively through the Sidetrade Cloud.