

IGE+XAO
Société Anonyme with capital of 5,497,030 euros
Head Office : 16, Boulevard Déodat de Séverac, 31770 COLOMIERS
338 514 987 R.C.S. Toulouse

I. – HALF TERM CONSOLIDATED ACCOUNTS AS OF JANUARY 31, 2017

A. – CONSOLIDATED BALANCE SHEET

Assets (in euros '000s)	January 31, 2017	January 31, 2016	July 31, 2016
Acquisition of goodwill	2,777	2,878	2,777
Intangible fixed assets - net	352	400	380
Property and equipment - net	1,128	1,109	1,125
Deferred tax	834	1,035	837
Shares in the associated companies	388	315	424
Other long term assets - net	181	196	181
Non current assets	5,660	5,933	5,725
Account receivables	10,664	9,370	7,404
Tax credit	1,930	1,548	2,258
Other current assets	1,501	1,334	1,459
Cash and cash equivalents	30,063	31,668	33,944
Current assets	44,158	43,920	45,065
Assets	49,818	49,853	50,790
Liabilities (in euros '000s)	January 31, 2017	January 31, 2016	July 31, 2016
Common stock	5,497	5,497	5,497
Additional paid-in capital	1,911	1,911	1,911
Consolidated reserves	21,136	23,304	23,189
Net income	2,781	2,853	5,489
Shareholders' equities	31,325	33,565	36,086
Non-controlling interests	417	444	449
Total Shareholders' equities	31,742	34,009	36,535
Profit sharing	170	157	344
Pension reserves, other benefits	1,362	1,253	1,284
Financial debts – long term	300	368	337
Financial debt – dividends to pay	2,030	1,420	--
Deferred tax	52	52	52
Other non current debts	413	343	413
Non current liabilities	4,327	3,593	2,430
Current debts	746	730	716
Social debts	2,613	2,527	2,518
Taxes	1,938	1,680	1,430
Deferred income – short term	7,518	6,573	6,441
Other current debts : short term	60	239	81
Taxes	494	133	267
Other current debts	380	369	372
Current debts	13,749	12,251	11,825
Liabilities	49,818	49,853	50,790

B. CONSOLIDATED STATEMENT OF OPERATIONS

(in euros '000s)	January 31, 2017 6 months	January 31, 2016 6 months	July 31, 2016 12 months
Total revenues	13,847	13,444	28,118
Other operating revenues	486	709	1,261
Revenues from operating activities	<u>14,333</u>	<u>14,153</u>	<u>29,379</u>
Purchases			
Other external expenses	(3,192)	(3,094)	(6,237)
Payroll and benefits	(7,030)	(6,903)	(14,688)
Taxes	(248)	(246)	(443)
Provisions / long term assets	(190)	(209)	(606)
Other operating expenses, net	4	(23)	(56)
Operating expenses, net	<u>(10,656)</u>	<u>(10,475)</u>	<u>(22,030)</u>
Current operating income	3,677	3,678	7,349
Capital gains on shares	--	--	--
Impairment of non-current assets	--	--	--
Operating income	<u>3,677</u>	<u>3,678</u>	<u>7,349</u>
Interests on loans	191	193	380
Financial revenues	13	78	37
Financial expenses	(6)	(127)	(43)
Financial income (loss)	<u>198</u>	<u>144</u>	<u>374</u>
Income (loss) of the Group before tax	<u>3,875</u>	<u>3,822</u>	<u>7,723</u>
Tax and deferred tax	(1,065)	(951)	(2,213)
Part of net income (loss) in the associated companies	(35)	(1)	2
Net income (loss)	<u>2,775</u>	<u>2,870</u>	<u>5,512</u>
Allocated to :			
The Group	2,781	2,853	5,489
The Non-controlling interests	(6)	17	23
Number of shares, except own shares booked in deduction of the consolidated shareholders' equity	1,353,525	1,420,841	1,418,499
Earnings per share in euros	2.0	2.0	3.87
Net diluted earnings per share	2.1	2.0	3.87

C. STATEMENT OF COMPREHENSIVE INCOME

(in € '000s)	31 January 2017 (6 months)	31 January 2016 (6 months)	31 July 2016 (12 months)
Exchange differences resulting from foreign activities	38	(134)	(110)
Actuarial gains (loss) on lump-sum retirement payments with effect on deferred taxes	(13)	42	61
Other	(4)	1	--
Income and expenses recorded in shareholders' equity	21	(91)	(49)
Result of the period	2,775	2,870	5,512
Total income and expenses recorded over the period	2,796	2,779	5,463
Allocated to:			
- the Group	2,781	2,562	5,441
- the non-controlling interests	15	17	22
Total income and expenses recorded over the period	2,796	2,779	5,463

D. SHAREHOLDERS' EQUITY

Shareholders' equity (in € '000s)	Common stock and additional paid-in capital	Translation adjustment	Accumul. reserves	Shareholders' equity - part of the Group -	Minority interests	Shareholders' equity
Shareholders' equity as of July 31, 2014	7,408	(36)	21,066	28,438	389	28,827
Dividends			(1,280)	(1,280)	(29)	(1,309)
Revenues and expenses from the period		85	5,160	5,245	76	5,321
Adjustment on the own shares			(27)	(27)	--	(27)
Impact of the cancellation of the gains on own share sales			(4)	(4)	--	(4)
Shareholders' equity as of July 31, 2015	7,408	49	24,915	32,372	436	32,808
Dividends			(1,420)	(1,420)	(29)	(1,449)
Revenues and expenses from the period		(110)	5,551	5,441	2	5,463
Adjustment on the own shares			(295)	(295)	--	(295)
Impact of the cancellation of the gains on own share sales			8	8	--	8
Scope variation						
Others					20	19
Shareholders' equity as of July 31, 2016	7,408	(61)	28,759	36,106	429	36,535
Dividends			(2,031)	(2,031)	(27)	(2,058)
Revenues and expenses from the period		36	2,746	2,781	(15)	2,796
Adjustment on the own shares			(5,557)	(5,557)	--	(5,557)
Impact of the cancellation of the gains on own share sales			26	26	--	26
Others				--	--	--
Shareholders' equity as of January 31, 2017	7,408	(25)	23,943	31,325	417	31,742

E. CONSOLIDATED STATEMENT OF CASH FLOWS

(in € '000s)	January 31, 2017	January 31, 2016	July 31, 2016
Flow of cash generated by the activity:			
Net income – Part of the Group	2,781	2,853	5,489
Increase (decrease) in Cash from :			
Non-controlling interests	--	1	22
Amortizations and provisions, net	215	227	607
Deferred tax			--
Part of the net income in the associated companies	35		(2)
Gain and loss on asset disposal	(12)	(13)	(12)
Change in working capital	(1,204)	(1,228)	(73)
Net cash used in operating activities	1,815	1,840	6,031
Purchases of long-term tangible and intangible assets	(131)	(222)	(375)
Sales of long-term assets	--	--	13
Acquisition of long-term assets	--	(1)	(1)
Proceeds from sale of equipment	--	11	13
Cash from change in the consolidation scope	--		--
Decrease in cash from net acquisitions	(131)	(212)	(350)
Dividends paid	(28)	--	(1,450)
Loans	82	9	--
Repayment of loans	(138)	(77)	(263)
Buyback of own shares	(5,531)	(129)	(287)
Others of which advances to be paid back		--	4
Decrease in cash from financing	(5,615)	(197)	(1,996)
Increase (decrease) in cash and cash equivalent	(3,931)	1,431	3,685
Incidences of changes in exchange rate	50	(128)	(96)
Net increase (decrease) in cash and cash equivalent	(3,881)	1,303	3,589
Cash and cash equivalent, beginning of year	33,944	30,355	30,355
Cash and cash equivalent, end of year	30,063	31,658	33,944
Net increase (decrease) in cash and cash equivalent	(3,881)	1,303	3,589

II. ACTIVITY REPORT

Over the first half of the 2016/2017 financial period, consolidated turnover for the IGE+XAO Group is 13,847,032 euros compared to 13,443,657 euros in 2015/2016, up 3%.

The growth in the activity along with good control of expenses leads to operating income of 3,677,467 euros, comparable to that for the previous period, while the latter had benefited from a research tax credit adjustment following an accreditation of an R&D site of the Group. Net income, that stands at 2,781,023 euros, is impacted by the rise of corporate income tax that changed by 12%, trend explained by the 8.8% increase in income before tax, excluding the effect of research credit tax as mentioned above.

From a profitability standpoint, the operating* and net** margins respectively reached 26.6% and 19.9% compared to 26.1% and 19.5% at 31st July 2016.

From a financial standpoint, the Group is consolidating its structure with, at 31st January 2017, equity of 32 million euros, almost no bank debt and a cash flow of over 30 million euros, which takes the purchase on 30th November 2016 into account of 63,403 IGE+XAO shares, for an amount of 5,382,915 euros placed as own shares.

Backed with these results and its solid fundamentals, the IGE+XAO Group intends to continue its action plan focusing on accelerating international development and maintaining strong investment in R&D, while still preserving a high level of profitability.

* operating income in terms of turnover

** net income in terms of turnover

Note: The half-year financial statements closed out at 31st January 2017 underwent a limited review by the auditors of IGE+XAO and were approved by the Board of Directors on 28th March 2017.

ABOUT THE IGE+XAO GROUP

For over 30 years, the IGE+XAO Group has been a software publisher designing, producing, selling and supporting a range of Computer Aided Design (CAD), Product Lifecycle Management (PLM) and Simulation software dedicated to Electrical Engineering. These software products have been designed to help manufacturers in the design and maintenance of the electrical part of any type of installation. This type of CAD/PLM/Simulation is called "Electrical CAD/PLM/Simulation". IGE+XAO has built a range of Electrical CAD/PLM/Simulation software designed for all the manufacturers. IGE+XAO employs 390 people around the world at 33 sites and in 22 countries, and has more than 86,400 licences distributed around the world. IGE+XAO is a reference in its field. For more information: <http://www.ige-xao.com>

IGE+XAO GROUP CONTACTS

IGE+XAO Group, 16 Boulevard Déodat de Séverac - CS 90312 - 31773 Colomiers cedex - France

Phone: +33 (0)5 62 74 36 36 - Fax: +33 (0)5 62 74 36 37 - www.ige-xao.com

Listed on NYSE Euronext Paris – Compartment C - ISIN FR 0000030827

EnterNext© PEA-PME 150 index

Analysts/ Investors contact: Alain Di Crescenzo (Chairman of the Group): +33 (0)5 62 74 36 36

Press contact: Rozenn Nerrand-Destouches +33 (0)5 62 74 36 02