

IGE+XAO

Société Anonyme with capital of 5,497,030 euros
Head office : 16, Boulevard Déodat de Séverac
31770 COLOMIERS
338 514 987 RCS Toulouse

2014 / 2015 CONSOLIDATED ACCOUNTS

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I. – ANNUAL CONSOLIDATED ACCOUNTS AS OF JULY 31, 2014**A. CONSOLIDATED BALANCE SHEET**

| Assets(in euros '000s) | July 31, 2015 | July 31, 2014 | July 31, 2013 |
|-------------------------------------|----------------------|----------------------|----------------------|
| Goodwill | 2,878 | 2,953 | 822 |
| Intangible assets - net | 418 | 361 | 92 |
| Property and equipment - net | 1,039 | 1,035 | 777 |
| Deferred tax | 1,010 | 1,042 | 707 |
| Shares in the associated companies | 315 | -- | 1,130 |
| Other long term assets - net | 192 | 278 | 136 |
| Non current assets | 5,852 | 5,669 | 3,664 |
| Account receivable | 7,064 | 6,478 | 6,298 |
| Tax credit | 1,922 | 1,893 | 1,369 |
| Other current assets | 1,233 | 1,142 | 1,061 |
| Cash and cash equivalents | 30,355 | 27,321 | 24,402 |
| Current assets | 40,574 | 36,834 | 33,130 |
| Assets | 46,426 | 42,503 | 36,794 |
| Liabilities (in euros '000s) | July 31, 2015 | July 31, 2014 | July 31, 2013 |
| Common stock | 5,497 | 5,497 | 5,497 |
| Additional paid-in capital | 1,911 | 1,911 | 1,911 |
| Consolidated retained earnings | 19,609 | 15,995 | 12,632 |
| Accumulated translation adjustment | 49 | (36) | (41) |
| Net income | 5,290 | 5,071 | 4,604 |
| Shareholders' equities | 32,356 | 28,438 | 24,603 |
| Non-controlling interests | 452 | 389 | 69 |
| Total shareholders' equities | 32,808 | 28,827 | 24,672 |
| Profit sharing | 309 | 350 | 320 |
| Pension reserves | 1,250 | 992 | 859 |
| Financial debts – long term | 419 | 657 | 350 |
| Deferred income – long term | -- | -- | 1 |
| Deferred tax | 53 | 153 | 30 |
| Other non current debts | 343 | 167 | 129 |
| Non current liabilities | 2,374 | 2,319 | 1,689 |
| Account payable | 797 | 819 | 1,272 |
| Social debts | 2,258 | 2,516 | 2,234 |
| Taxes | 5,967 | 5,982 | 4,965 |
| Deferred income – short term | 257 | 131 | -- |
| Taxes | 340 | 254 | 163 |
| VAT and taxes | 1,294 | 1,228 | 1,481 |
| Other current debts | 331 | 427 | 318 |
| Current liabilities | 11,244 | 11,357 | 10,433 |
| Liabilities | 46,426 | 42,503 | 36,794 |

B. CONSOLIDATED STATEMENT OF OPERATIONS

| (in euros '000s) | July 31, 2015 | July 31, 2014 | July 31, 2013 |
|--|---------------|---------------|---------------|
| Total revenues | 27,337 | 26,260 | 24,569 |
| Other operating revenues | 996 | 940 | 950 |
| Revenues from operating activities | 28,333 | 27,200 | 25,519 |
| Other external expenses | (6,094) | (5,843) | (5,409) |
| Payroll and benefits | (14,175) | (13,650) | (13,092) |
| Taxes | (523) | (520) | (460) |
| Depreciation | (630) | (547) | (570) |
| Other operating expenses, net | (80) | (77) | (73) |
| Operating expenses, net | (21,502) | (20,637) | (19,604) |
| Current operating income (loss) | 6,832 | 6,563 | 5,915 |
| Depreciations on non current assets | -- | (358) | -- |
| Depreciations for non recurrent risks | -- | 398 | -- |
| Operating income | 6,832 | 6,603 | 5,915 |
| Interests on loans | 408 | (83) | -- |
| Financial revenues | 196 | 471 | 397 |
| Financial expenses | (121) | (29) | (88) |
| Income (loss) of the Group before tax | 7,315 | 6,962 | 6,224 |
| Tax charge and deferred tax | (1,925) | (1,857) | (1,740) |
| Part of net income (loss) in the associated companies | (20) | 12 | 141 |
| Net income (loss) | 5,370 | 5,117 | 4,625 |
| Allocated to : | | | |
| The Group | 5,290 | 5,071 | 4,604 |
| The non-controlling interests | 80 | 46 | 21 |
| Number of shares, except own shares booked in deduction of the consolidated shareholders' equity | 1,422,699 | 1,423,202 | 1,424,002 |
| Earnings per share in euros | 3.72 | 3.56 | 3.22 |
| Net diluted earnings per share | 3.72 | 3.56 | 3.23 |

C. REVENUES AND EXPENSES FOR THE PERIOD

| (in € '000s) | July 31, 2015 | July 31, 2014 | July 31, 2013 |
|--|---------------|---------------|---------------|
| Exchange gains (losses) | 85 | 5 | (54) |
| Actuarial gains (losses) on pensions (retirement) | (131) | 21 | (42) |
| Others | (3) | 12 | 4 |
| Incomes and losses directly booked in shareholders' equities | (49) | 38 | (92) |
| Net income | 5,370 | 5,117 | 4,625 |
| Revenues and expenses from the period | 5,321 | 5,155 | 4,533 |
| Allocated to : | | | |
| - The Group | 5,245 | 5,109 | 4,506 |
| - The non-controlling interests | 76 | 46 | 27 |
| Total : revenues and expenses from the period | 5,321 | 5,155 | 4,533 |

D. SHAREHOLDERS' EQUITY

| Shareholders' equity (in € '000s) | Common stock and additional paid-in capital | Translation adjustment | Accumul. reserves | Shareholder s' equity – part of the Group - | Non- controlling interests | Shareholder s' equity |
|--|---|---------------------------|----------------------|--|----------------------------------|--------------------------|
| Shareholders' equity as of July 31, 2012 | 7,408 | 73 | 13,724 | 21,205 | 65 | 21,270 |
| Dividends | -- | -- | (1,092) | (1,092) | (23) | (1,116) |
| Revenues and expenses from the period | -- | (54) | 4,560 | 4,506 | 27 | 4,533 |
| Adjustment on the own shares | -- | -- | (43) | (43) | -- | (43) |
| Impact of the cancellation of the gains on own share sales | -- | -- | 27 | 27 | -- | 27 |
| Reclassification | -- | (60) | 60 | -- | -- | -- |
| Shareholders' equity as of July 31, 2013 | 7,408 | (41) | 17,236 | 24,603 | 69 | 24,672 |
| Perimeter variation | -- | -- | (22) | (22) | 300 | 278 |
| Dividends | -- | -- | (1,170) | (1,170) | (26) | (1,196) |
| Revenues and expenses from the period | -- | 5 | 5,104 | 5,109 | 46 | 5,155 |
| Adjustment on the own shares | -- | -- | (106) | (106) | -- | (106) |
| Impact of the cancellation of the gains on own share sales | -- | -- | 24 | 24 | -- | 24 |
| Shareholders' equity as of July 31, 2014 | 7,408 | (36) | 21,066 | 28,438 | 389 | 28,827 |
| Perimeter variation | -- | -- | -- | -- | -- | -- |
| 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 |

E. CONSOLIDATED STATEMENT OF CASH FLOWS

| (in € '000s) | July 31, 2015 | July 31, 2014 | July 31, 2013 |
|--|---------------|---------------|---------------|
| Flow of cash generated by the activity : | | | |
| Net income – Part of the Group | 5,290 | 5,071 | 4,604 |
| Increase (decrease) in Cash from : : | | | |
| Non-controlling interests | 80 | 46 | 21 |
| Amortizations and provisions, net | 494 | 737 | 372 |
| Deferred tax | -- | -- | -- |
| Part in the net income and dividend received from the associated companies | 20 | -- | (107) |
| Gain and loss on asset disposal | 2 | (398) | 1 |
| Others | -- | -- | -- |
| Increase (decrease) in current assets and liabilities : | (1,161) | (400) | (15) |
| Net cash used in operating activities | 4,725 | 5,056 | 4,876 |
| | | | |
| Purchases of long-term intangible and tangible assets | (237) | (525) | (319) |
| Sales of long-term assets | -- | 8 | -- |
| Acquisition of long-term assets | (1) | -- | (54) |
| Proceeds from sale of equipment | 65 | (111) | -- |
| Cash from change in the consolidation scope | (156) | (192) | -- |
| Decrease in cash from net acquisitions | (329) | (820) | (373) |
| Dividends paid | (1,309) | (1,196) | (1,116) |
| Loans | 231 | 42 | -- |
| Repayments of loans | (157) | (37) | -- |
| Financial advances (Coface) | (159) | (55) | (92) |
| Purchase of own shares | (27) | (82) | (18) |
| Others of which advances to be paid back | (4) | -- | 5 |
| Decrease in cash from financing | (1425) | (1,328) | (1,221) |
| Increase (decrease) in cash and cash equivalent | 2,971 | 2,908 | 3,282 |
| Incidences of changes in exchange rate | 63 | 11 | (77) |
| Net increase (decrease) in cash and cash equivalent | 3,034 | 2,919 | 3,205 |
| | | | |
| Cash and cash equivalent, beginning of year | 27,321 | 24,402 | 21,197 |
| Cash and cash equivalent, end of year | 30,355 | 27,321 | 24,402 |
| Net increase (decrease) in cash and cash equivalent | 3,034 | 2,919 | 3,205 |

II. – ACTIVITY REPORT

Over the 2014/2015 financial period, consolidated turnover for the Group amounted to €27,337,110 compared to €26,260,418 one year earlier.

Current operating income, up 4.1%, amounts to €6,831,949 resulting in 25% for operational profitability**. Net income stands at €5,289,604, up 4.3% and brings net profitability*** to 19.3%.

In addition to these results, IGE+XAO had a very dense year with:

- ✓ the operational consolidation of IGE+XAO Nordic and Prosyst, acquired respectively in October 2013 and April 2014,
- ✓ the creation of two new commercial subsidiaries in Brazil and Belgium,
- ✓ the distribution of new versions of its flagship software,
- ✓ and the launching of its internet portal dedicated to downloading electrical equipment catalogues.

Over the current financial period, backed with these solid results and its financial capacity, 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.

* The consolidated financial statements were approved by the Board of Directors on 21 October 2015 and will be submitted for approval to the Annual Shareholders' Meeting.

** Operational profitability: operating income / turnover

*** Net profitability: net income / turnover

ABOUT THE IGE+XAO GROUP

For over 29 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 388 people around the world at 32 sites and in 21 countries, and has more than 83,000 licences distributed around the world. IGE+XAO is a reference in its field. For more information: <http://www.ige-xao.com>

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