

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

2015 / 2016 CONSOLIDATED ACCOUNTS

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I. – ANNUAL CONSOLIDATED ACCOUNTS AS OF JULY 31, 2016**A. CONSOLIDATED BALANCE SHEET**

Assets(in euros '000s)	July 31, 2016	July 31, 2015	July 31, 2014
Goodwill	2,777	2,878	2,953
Intangible assets - net	380	418	361
Property and equipment - net	1,125	1,039	1,035
Deferred tax	837	1,010	1,042
Shares in the associated companies	424	315	--
Other long term assets - net	181	192	278
Non current assets	5,725	5,852	5,669
Account receivable	7,404	7,064	6,478
Tax credit	2,258	1,922	1,893
Other current assets	1,459	1,233	1,142
Cash and cash equivalents	33,944	30,355	27,321
Current assets	45,065	40,574	36,834
Assets	50,790	46,426	42,503
Liabilities (in euros '000s)	July 31, 2016	July 31, 2015	July 31, 2014
Common stock	5,497	5,497	5,497
Additional paid-in capital	1,911	1,911	1,911
Consolidated retained earnings	23,250	19,609	15,995
Accumulated translation adjustment	(61)	49	(36)
Net income	5,489	5,290	5,071
Shareholders' equities	36,086	32,356	28,438
Non-controlling interests	449	452	389
Total shareholders' equities	36,535	32,808	28,827
Profit sharing	344	309	350
Pension reserves	1,284	1,250	992
Financial debts – long term	337	419	657
Deferred income – long term	--	--	--
Deferred tax	52	53	153
Other non current debts	413	343	167
Non current liabilities	2,430	2,374	2,319
Account payable	716	797	819
Social debts	2,518	2,258	2,516
Taxes	6,441	5,967	5,982
Deferred income – short term	81	257	131
Taxes	267	340	254
VAT and taxes	1,430	1,294	1,228
Other current debts	372	331	427
Current liabilities	11,825	11,244	11,357
Liabilities	50,790	46,426	42,503

B. CONSOLIDATED STATEMENT OF OPERATIONS

(in euros '000s)	July 31, 2016	July 31, 2015	July 31, 2014
Total revenues	28,118	27,337	26,260
Other operating revenues	1,261	996	940
Revenues from operating activities	29,379	28,333	27,200
Other external expenses	(6,237)	(6,094)	(5,843)
Payroll and benefits	(14,688)	(14,175)	(13,650)
Taxes	(443)	(523)	(520)
Amortizations and provisions	(606)*	(630)	(547)
Other operating expenses, net	(56)	(80)	(77)
Operating expenses, net	(22,030)	(21,502)	(20,637)
Current operating income (loss)	7,349	6,832	6,563
Depreciations for non recurrent risks	--	--	398
Operating income	7,349	6,832	6,603
Interests on loans	380	408	(83)
Financial revenues	37	107	471
Financial expenses	(43)	(132)	(29)
Income (loss) of the Group before tax	7,723	7,315	6,962
Tax charge and deferred tax	(2,213)	(1,925)	(1,857)
Part of net income (loss) in the associated companies	2	(20)	12
Net income (loss)	5,512	5,370	5,117
Allocated to :			
The Group	5,489	5,290	5,071
The non-controlling interests	23	80	46
Number of shares, except own shares booked in deduction of the consolidated shareholders' equity	1,418,499	1,422,699	1,423,202
Earnings per share in euros	3.87	3.72	3.56
Net diluted earnings per share	3.87	3.72	3.56

*The depreciation initially booked on "Non current assets" as of 31 July 2014 for an amount of 358 K€ has been reclassified in "Amortizations and provisions" in compliance with the presentation adopted on 31 July 2016 for 100 K€.

C. REVENUES AND EXPENSES FOR THE PERIOD

(in € '000s)	July 31, 2016	July 31, 2015	July 31, 2014
Exchange gains (losses)	(110)	85	5
Actuarial gains (losses) on pensions (retirement)	61	(131)	21
Others	--	(3)	12
Incomes and losses directly booked in shareholders' equities	(49)	(49)	38
Net income	5,512	5,370	5,117
Revenues and expenses from the period	5,463	5,321	5,155
Allocated to :			
- The Group	5,441	5,245	5,109
- The non-controlling interests	22	76	46
Total : revenues and expenses from the period	5,463	5,321	5,155

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, 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
Perimeter variation	--	--	--	--	--	--
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
Shareholders' equity as of July 31, 2015	7,408	(61)	28,759	36,106	429	36,535

E. CONSOLIDATED STATEMENT OF CASH FLOWS

(in € '000s)	July 31, 2016	July 31, 2015	July 31, 2014
Flow of cash generated by the activity :			
Net income – Part of the Group	5,489	5,290	5,071
Increase (decrease) in Cash from : :			
Non-controlling interests	22	80	46
Amortizations and provisions, net	607	494	737
Deferred tax	--	--	--
Part in the net income and dividend received from the associated companies	(2)	20	--
Gain and loss on asset disposal	(12)	2	(398)
Others	--	--	--
Increase (decrease) in current assets and liabilities :	(73)	(1,161)	(400)
Net cash used in operating activities	6,031	4,725	5,056
Purchases of long-term intangible and tangible assets	(375)	(237)	(525)
Sales of long-term assets	13	--	8
Acquisition of long-term assets	(1)	(1)	--
Proceeds from sale of equipment	13	65	(111)
Cash from change in the consolidation scope	--	(156)	(192)
Decrease in cash from net acquisitions	(350)	(329)	(820)
Dividends paid	(1,450)	(1,309)	(1,196)
Loans	--	231	42
Repayments of loans	(263)	(157)	(37)
Financial advances (Coface)	--	(159)	(55)
Purchase of own shares	(287)	(27)	(82)
Others of which advances to be paid back	4	(4)	--
Decrease in cash from financing	(1,996)	(1,425)	(1,328)
Increase (decrease) in cash and cash equivalent	3,685	2,971	2,908
Incidences of changes in exchange rate	(96)	63	11
Net increase (decrease) in cash and cash equivalent	3,589	3,034	2,919
Cash and cash equivalent, beginning of year	30,355	27,321	24,402
Cash and cash equivalent, end of year	33,944	30,355	27,321
Net increase (decrease) in cash and cash equivalent	3,589	3,034	2,919

II. – ACTIVITY REPORT

Over the 2015/2016 financial period, consolidated turnover for the Group amounted to €28,117,957 compared to €27,337,110 one year earlier. Commercial activity in particular benefited from the strong momentum, both nationally and internationally, in the sale and rental activities of licences for SME/SMI and major accounts. Operating income, up 7.6%, amounts to €7,349,242 inducing 26.1% for operational profitability**. Along the same lines, net income amounted to €5,489,257, up 3.8%, as such bringing net profitability*** to 19.5%.

In parallel, IGE+XAO continued its expansion abroad, with in particular, the creation of a commercial office in Moscow and the operational launchings of Brazilian and Belgian commercial subsidiaries. From a technical standpoint, the period was also very active with a lot of work done on the interoperability between the “SEE Electrical Expert” product and the PROSYST (“ODIL and SIMAC”) offering, the distribution of the new “3D Panel” software (design and manufacture of electrical cabinets in 3D) and the integration of the Group’s products with PLM “Product Lifecycle Management” leading software in the international market.

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.

* The consolidated financial statements were approved by the Board of Directors on 26 October 2016 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 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 32 sites and in 21 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>

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