



## Hubwoo Announces 2009 Results

- **2009 Full Year revenue of €34.6M, up 9% as compared to 2008**
- **Major turnaround on EBITDA profitability: 2009 EBITDA positive at €2.7M**

Paris – 30<sup>th</sup> March 2010 – Hubwoo (Euronext: HBW.NX), the world's leading provider of on-demand procurement solutions for the SAP community, today announced annual financial information for 2009.

Greg Mark, Hubwoo CEO commented: *“Despite a challenging global economic environment we are pleased to report 9% growth over 2008 and a dramatic improvement on EBITDA. 2009 was a year in which we regained control of our cost base, successfully recapitalized the company and made major upgrades in both our infrastructure and solutions offering. We are now prepared for even greater growth in 2010 as the economy begins to show signs of recovery.”*

### 1. 2009 Key Results:

€ Million	2008	2009	variation in %
Revenue	31.8	34.6	9%
EBITDA (*)	-4.6	2.7	n/a
Net Earnings	-10.0	-2.0	n/a
Operating Cashflow	-3.0	1.1	n/a
Cash	1.3	3.5	169%

(Audited Figures)

### Revenues

2009 revenue was €34.6 million, up 9% as compared to 2008. Growth was achieved from the recurring and highly predictable SaaS(\*\*) component of revenue, which was up 15% compared to 2008.

2009 services revenue was down 9% from 2008, mainly due to a lower ratio of Services to SaaS in those contracts signed in 2009 and, as mentioned in previous announcements, to the delay in signature of several other large contracts.

(\*) EBITDA: Operating result before depreciation and non recurring items.

(\*\*) SaaS is a model of delivering technology where a software solution is hosted ,on-demand, as a service for its customers. Clients do not buy the technology but rather pay a subscription fee to use it.



The supplier revenue component within SaaS, which is strongly dependent on the global economy and buyers' level of spending in goods and services, was down 5% year over year, at €7.4 million.

### **Profitability**

Following continued efforts in cost optimisation, restructuring of specific areas of the business and reallocation of resources in those areas capable to deliver stronger growth and profitability, EBITDA in 2009 showed a dramatic improvement from negative -€4.6 million in 2008 to positive €2.7 million in 2009. Estimates on EBITDA for Q1 2010 confirm a positive trend and the achievement of a solid and stable cost base on which Hubwoo can build for future growth.

### **Goodwill**

In accordance with IFRS, a goodwill impairment test has been conducted by analyzing the market and its growth potential and by evaluating the company's fair market value. Since the fair value is higher than the book value, no goodwill depreciation has been accounted for.

### **Cashflow and balance sheet**

In 2009, the company's operating cashflow was €1.1 million (against -€3 million in 2008). Total investments amounted to €1.7 million, encompassing network and infrastructure upgrades, the deployment of the new eAnalyze spend analysis solution, based on SAP BusinessObjects™ Spend Performance Management, and the first phases of the SAP SRM 7.0 upgrade.

With the capital increase of €4.6 million, Hubwoo finished the year with net cash of €3.5 million (against €1.8 million in 2008)

## **2. 2009 major events:**

### **New Buyer Customers**

During the year, Hubwoo signed 32 new technology contracts with buyers. By the end of 2009, the total number of buyer technology customers amounted to 120, an increase of 36% during the year.

Sales in 2009 were evenly distributed across Hubwoo's major regions of Southern Europe, Central Europe, the UK, and the Americas.

### **Gregory A. Mark appointed CEO and Chairman of the Board**

Following Greg's appointment as CEO on March 27th, 2009 he was also appointed as Chairman of the Board in Q4 2009. Greg joined Hubwoo in March 2006 as SVP North America Business Operations. He brings more than 25 years of management experience within technology-based solution companies and is a veteran of the internet based source-to-pay space.

### **Capital Increase**

On June 18th, 2009 Hubwoo launched a capital increase with maintained preferential rights of subscription for its shareholders. Ten (10) new shares were offered for each thirty one (31) existing shares at a unit price of €0.20. The subscription process for the capital increase took place between June 18th and July 1st, 2009 and resulted in a total demand of around €5.8M. This corresponded to a subscription rate of 145% thus allowing the operation to be extended by 15% to €4.6M.



### **Broadening of Solution Offerings**

Spend Analysis: In 2009, Hubwoo began offering SAP's BusinessObjects Spend Performance Management as-a-Service, plus data standardization and enrichment services.

Search Engine: Hubwoo released its next generation Search solution. This multi-supplier catalog search solution brings performance and flexibility to increase spend under management for all categories of spend including services.

Master Data Exchange (MDX): MDX furthers Hubwoo's integration as-a-service capabilities to integrate master data between customers' heterogeneous on-premise enterprises systems and the Hubwoo on-demand source to pay solution suite.

With these enhancements, revenues continue to be spread across a full source to pay business footprint.

### **Supplier Network Growth**

Supplier community volumes surpassed 70,000 active suppliers at the end of 2009, up 75% over 2008. Hosted catalogs increased 48% to over 5,800. Critical mass in suppliers increases business value for buyer customers, as well as provides a long term vehicle for incremental network revenue streams.

### **IT Consolidation and Upgrades**

In 2009, Hubwoo completed consolidation of 3 major global data centers into one. Database upgrades, SAN upgrades, voice over IP upgrades, and MPLS upgrades were successfully completed in parallel. The result of these efforts is significant cost reduction, streamlined architecture, and a capacity to scale the business with minimal additional capital investments required.

### **Manila**

Hubwoo opened a Branch Office in Manila, Philippines with now over 30 employees to capitalize on high quality and lower cost capabilities for global customer support, supplier enablement and development.

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### **About Hubwoo ([www.hubwoo.com](http://www.hubwoo.com))**

Hubwoo the world's leading provider of on-demand procurement solutions for the SAP community. The Company manages a business-to-business community with over 150 major international corporations as its customers (including 50 in the Global 1000) and over 70,000 active suppliers. Significant customers include Honeywell, Total, BASF, Evonik, EDF, Nokia, Michelin, Shell, Bayer, Henkel, Statoil, Hershey's, Consol Energy, EcoPetrol, Carl Zeiss, Burton's Foods, The Dow Chemical Company, ENI, and Graham Packaging. The Company has international offices in Europe, Americas and Asia and is a strategic partner of SAP and IBM.

Listed in **Compartment C on the Euronext Paris Eurolist.**

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