

PRESS RELEASE

SingularLogic Operations: Resilient in 2012 Despite the Adverse Economic Environment

Athens, 28th March 2013: In an environment of macroeconomic volatility and financial adversity, the SingularLogic Group maintained positive EBITDA (€852,000), while managing to also complete its strategic redesign and complete operational restructuring, thus paving the way for significant and sustainable profitability recovery in 2013.

Despite the negative sentiment prevailing in 2012, marked by political and financial volatility intensifying the insecurity felt by enterprises and leading to the suspension or cancellation of several investment plans in the public and private sector, SingularLogic managed to contain the drop in its sales to 5% (€56 million), when according to IDC estimates, the drop in the Greek IT market would reach 13% in 2012. Furthermore, free cash flow generation remained positive, reflecting best working capital management practices.

In 2012, SingularLogic confirmed its consistent commitment to growth and business versatility. In this context, the company undertook an operational restructuring with a view to keeping focus both on its core activities and high market shares (standardized software and large project implementation) as well as on the rapidly growing Outsourcing and Cloud Computing sectors. It also undertook the implementation of new major projects such as the *National Criminal Record*, the *e-Services for Preliminary Proceedings*, the *ERP* for the PENTE–GALAXIAS & MARINOPOULOS group, the new integrated IT system for the Vivartia Group, and the collection and transmission of two electoral confrontations in 2012 on behalf of the Ministry of Interior. In the SME market, we launched new, ground-breaking software applications and expanded our client base through the attraction of a considerable number of new customers. Trust in the high level of services we offer is also proven by the consecutive certifications of large international IT companies such as SAP and Oracle.

It is worth noting that in the last quarter of 2012, SingularLogic registered sales growth compared to the prior year, thus reversing the negative trend of the first three quarters, and reflecting the successful implementation of our extrovert strategy and the gradual improvement of political and economic sentiments.

In order to adjust to the current economic context, the Group wrote-off a total of €35.8m; this write-off represents mainly the readjustment of the value of its intangible assets as well as non-recoverable receivables.

The economic malaise in the IT market is expected to continue in the 2013. However, it is estimated that the improvement of business expectations in several private sectors coupled with the gradual disengagement of the public IT projects will provide a tailwind for the IT services industry. Contrary, the pressure on the software industry for SMEs is expected to remain in the same levels.

Commenting on the 2012 results, Mrs. Marika Labrou, SingularLogic Managing Director, pointed out: *"Despite this particularly challenging environment, we managed to slow down the deterioration of critical figures, and create the conditions for and build new foundations for sustainable growth. Our successfully completed operational restructuring led to significant cost reduction through the adoption of continuing measures which led to €7.8m in savings; part of these will be recorded in the 2013 results.*

In addition, negotiations with creditor banks are well under way; their aim is to agree on a debt refinancing plan that will restore the group's liquidity levels. 2013 is a landmark year for us; this year we will form the basis for the new SingularLogic brand, focusing on best cost and working capital management while aiming to offer highly competitive products and services. With strategic goals to expand our customer base in the domestic market, focus on vertical profitable markets and penetrate new markets abroad, SingularLogic will continue to leverage the strong product and service portfolio while consolidating our leadership in the Greek IT market."