

## **SOPHEON PLC**

("Sopheon" or the "Company")

### **INTERIM MANAGEMENT STATEMENT**

Sopheon plc, the international provider of software and services that improve the financial return from innovation and new product development investments, issues its interim management statement for the period since 1 July 2012 to date.

In our interim report issued at the end of August, we reported good growth in first half results compared to 2011, with revenues for the half year of £6.2m (2011: £4.7m) and revenue visibility for 2012 of £9.9m. After adding further business in the third quarter, we are pleased to report an increase in revenue visibility for 2012 to over £11.7m, compared to £9.6m at the same time last year. Full year revenues for 2011 were £10.3m.

Our sales pipeline contains a healthy mix of opportunities from new and existing clients, and we expect to add more business in the remaining months of the year, with corresponding increases in visibility. Growth is driving need for additional resources, and we expect to continue steady recruitment through the coming period. As noted in the past, our reported revenues are sensitive to the timing and value of individual order events, particularly in these uncertain economic times, and we will approach these investment decisions with due caution. A key hire in recent weeks is the recruitment of Mike Frichol to spearhead global marketing. Mike has a great deal of experience with emerging high growth software companies, and has held a number of senior positions in the industry at companies such as Great Plains Software, Infor, and Microsoft.

As noted in our interim report, the Board is actively considering a corporate restructuring that would include a reduction of capital to eliminate the bulk of the accumulated deficit on the profit and loss account, and also a consolidation of shares. If implemented, these changes (which would be subject to shareholder and other approvals) would improve the profile of the balance sheet, bring forward the potential for the Company to have distributable reserves, and reduce the shareholder count. Sopheon's share register lists approximately 4,000 individual shareholders, of which 80% have interests of £100 or less. This is before taking into account shareholders with individual holdings held via broker accounts, or held in the Netherlands. This is expected to show a similar profile of a disproportionately large number of very small shareholdings for a company of Sopheon's size. The Board is considering dealing with this imbalance through a 2000:1 share consolidation, shortly followed by a 1:100 share split to bring the final ratio to 20:1. Although not yet confirmed, a process along these lines would have the effect of eliminating shareholdings of less than 2000 shares, which at today's price is roughly equal to £100. It would also have the effect of rounding down larger shareholdings to the nearest multiple of 2000. It is anticipated that the fractions released by the foregoing would be consolidated and sold in the market on behalf of underlying shareholders. The Board will continue to announce further details of its plans in this area as they evolve.

*A definition of how visibility is calculated was provided in our half-yearly report published on 23 August 2012.*

#### **FOR FURTHER INFORMATION CONTACT:**

Barry Mence, Chairman	Sopheon plc	+ 44 (0) 1483 685 735
Arif Karimjee, CFO	Sopheon plc	+ 44 (0) 1483 685 735
Charlotte Stranner / Victoria Bates	finnCap	+ 44 (0) 20 7600 1658
Heather Armstrong	Newgate Threadneedle	+ 44 (0) 20 7653 9842
Claire Verhagen	Citigate First Financial	+ 31 (0) 205 754 010

#### **About Sopheon**

Sopheon (LSE: SPE) is an international provider of software and services. Sopheon's solutions structure, align and manage innovation processes to help organizations generate more revenues and profits from new products. Sopheon's solutions are used by industry leaders throughout the world, including BASF, Corning, Electrolux, Honeywell, Lockheed Martin, Philips and SABMiller. Sopheon is listed on the AIM Market of the London Stock Exchange and on the Euronext in the Netherlands. For more information, please visit [www.sopheon.com](http://www.sopheon.com).