Apptix Reports Fourth Quarter and Year to Date 2011 Results

Herndon, VA and Oslo, Norway – February 15, 2012 – Apptix® (OSE: APP), the premier provider of hosted business communication and collaboration services, today announced its unaudited financial results for the three months and the year ended December 31, 2011.

Interim Management Report

Overview of the fourth quarter results:

- **Net Income of USD 272 thousand, flat quarter over quarter and USD 685 thousand improvement year over year. EBIT of USD 627 thousand, flat quarter over quarter and USD 649 thousand improvement year over year.**

- **Revenue of USD 10.3 million, an increase of 2% quarter over quarter and a 4% increase year over year.**

- **User counts increased to 336,000 during the quarter, an increase of 2% quarter over quarter and 8% year over year. New user bookings in Q4 increased 2% quarter over quarter, excluding "Speedway" bookings discussed below; churn improved 15% quarter over quarter.**

- **Signed channel partnership agreements with Insight Enterprises, Inc., a USD 4.8 billion global provider of information technology; MegaPath Corp., a national end-to-end facilities-based solutions provider and Cincinnati Bell, Inc., a USD 1.4 billion provider of integrated communications solutions including local, long-distance, data, internet, entertainment and wireless services to resell the Company's communications and collaboration services on a white-label basis.**

- **Expanded "Speedway", a key 2009 healthcare client, with the addition of a new facility increasing the Speedway user base by 15,000 and the addition of archiving and compliance services to approximately 5,000 "Speedway" users. When fully implemented these additions will add approximately USD 700 thousand of annualized revenues, an increase of approximately 2% over current total revenue levels.**

Highlights

The Company continued to show progress under its newly aligned field organization during the fourth quarter with the addition of three new significant channel relationships: Insight, MegaPath and Cincinnati Bell, all which are expected to launch their reseller portals by the end of the first quarter of 2012 and are projecting user bookings for 2012 in excess of 100,000 combined. Furthermore, new user bookings during the fourth quarter increased 2% over the third quarter, excluding a 15,000 user expansion of "Speedway". Historically, the fourth quarter is a seasonally flat quarter as a result of the holidays. Finally, the Company's enhanced customer management and priority routing model launched in July continued to show gains with a 15% decrease in user churn during the fourth quarter, and a 30% decrease in the second half of 2011 as compared to the first half of 2011.

The Company exited 2011 having made solid improvements in operating results with a 5% increase in annual revenue, its first full year of positive net income and its 15th consecutive quarter of positive EBITDA. Revenue for the fourth quarter and the year was USD 10.3 million and USD 40.7 million, an increase of 2% and 5%, respectively. Net income for the fourth quarter and the year was USD 272 thousand and USD 703 thousand, flat quarter over quarter and an increase of USD 3.8 million for the year. As anticipated, the Company made targeted investments during the fourth quarter, increasing operating costs slightly to prepare for increased bookings volumes in 2012 from the new channel partner relationships discussed above.

"We are quite proud to have reached and maintained profitability for the entire year, a first in the Company's history. This achievement is the culmination of several years of intense work and strategic investment to transform Apptix into an established Cloud services market leader," said David Ehrhardt, President and CEO of Apptix. "Building upon this success we refocused our go-to-market and sales strategies during 2011 on the more profitable mid-market and enterprise sectors as well as deployed a channel first strategy. Our channel strategy has already begun to deliver results with significant partner wins like Insight, MegaPath, Cincinnati Bell, and Web.com. Further, gains in the mid-market and enterprise (which now represent approximately 45% of revenues) have led to expanded uptake of our growing service portfolio; specifically our voice, and security & compliance services which are growing at 40% annually. As such, we believe we enter 2012 well positioned to deliver double digit revenue growth in 2012," said Ehrhardt.

Financial Results – Fourth Quarter and Year to Date 2011

Revenues totaled USD 10.3 million for the three months ended December 31, 2011, representing 2% growth quarter over quarter and 4% growth year over year. The growth in revenues was due to the increases in the active user counts, primarily as a result of user gains with mid-market and enterprise customers, including Speedway. Revenues for the twelve months ended December 31, 2011 totaled USD 40.7 million up 5% from the same period in 2010.

ARPU was USD 14.52 (excluding Speedway) down 2% quarter over quarter and 4% year over year. The year over year decline is primarily the result of pricing concessions granted in conjunction with the Company's platform consolidation efforts (which were completed in June 2010) and the Company's continued focus on the mid-market; trading volume based ARPU concessions for stickier customers, lower relative cost of acquisition and support, and the potential for broader uptake on the Company's service portfolio. Including the impact of Speedway, ARPU remained steady at USD 10.40.

Operating expenses (including depreciation and amortization) were USD 6.8 million during the fourth quarter of 2011, up 5% quarter over quarter however down 4% year over year. The increase quarter over quarter was due to higher labor and operating expenses incurred in support of the Company's expected 2012 user growth and higher depreciation expense related to the Company's third quarter launch of its Exchange 2010 platform. Total operating expenses for the twelve months ended December 31, 2011 were USD 26.8 million, down 10% from the same period in 2010. These improvements were driven primarily by operating efficiencies gained as a result of scale economies associated with an increased user base and the Company's 2010 platform consolidation efforts.

EBIT for the fourth quarter 2011 was USD 627 thousand, flat quarter over quarter however an improvement of USD 649 thousand year over year. EBIT for the twelve months ended December 31, 2011 was USD 2.2 million, compared to a loss of USD 1.4 million during the comparable period in 2010, an improvement of USD 3.6 million. These improvements were driven primarily by revenue gains in the mid-market which contribute higher relative margin contributions and operating efficiencies gained as a result of the Company's 2010 platform consolidation efforts.

Net Income for the fourth quarter of 2011 was USD 272 thousand flat quarter over quarter and compared to a loss of USD 413 thousand in the fourth quarter of 2010, an improvement of USD 685 thousand. Net Income was USD 703 thousand for the twelve months ended December 31, 2011, compared to a net loss of USD 3.1 million during the comparable period in 2010, an improvement of USD 3.8 million. As mentioned above, the improvements in the net results were the result of gains in revenue, specifically in the mid-market and operational efficiencies.

Cash generated by operating activities, including the impact of changes in currency rates, totaled USD 1.1 million during the fourth quarter of 2011 compared to USD 624 thousand during the third quarter of 2011 and USD 743 thousand during the fourth quarter of 2010. For the twelve months of 2011, cash generated by operating activities, including the impact of changes in currency rates, totaled USD 3.7 million, up from prior year levels of USD 1.2 million due to the Company's improved net operating results.

Equipment purchases, net of financing under equipment leases, during the fourth quarter of 2011 was USD 142 thousand compared to USD 80 thousand in the third quarter of 2011 and USD 119 thousand in the fourth quarter of 2010. Equipment purchases, net of financing under equipment leases, in 2011 totaled USD 516 thousand compared to USD 283 thousand in 2010. Increased net purchases were generally related to the launch of the Company's Exchange 2010 offering and increased user volume.

Cash used to satisfy debt and capital lease obligations totaled USD 983 thousand in the fourth quarter of 2011, consistent with the third quarter 2011 and up USD 153 thousand from 2010 levels. For the twelve months ended December 31, 2011 the Company used USD 3.7 million to satisfy debt and capital lease obligations as compared to USD 3.8 million during the same period of 2010. During 2011 the Company leveraged its working capital facility for USD 350 thousand as compared to USD 1.8 million in 2010.

The Company closed the fourth quarter of 2011 with USD 768 thousand in cash and USD 4.7 million outstanding on its working capital facility. As of December 31, 2011, the Company had approximately USD 2.0 million of combined cash and available borrowing capacity under its working capital facility.

Financial Statements – Basis for Preparation

The enclosed consolidated condensed financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting Standards (IFRS).

Significant Accounting Policies

The accounting policies and methods of computation used in the preparation of the enclosed financial statements are consistent with the policies used in the annual financial statements for the year ended December 31, 2010. The enclosed consolidated condensed financial statements should be read in conjunction with the Company's 2010 annual financial statements, which include a full description of the Company's accounting policies. The enclosed consolidated condensed financial statements are unaudited. As a result of rounding differences, numbers or percentages may not add up to the total.

The financial statements are attached.

About Apptix

Apptix (OSE: APP) is the premier provider of hosted business communication, collaboration, and IT solutions to business of all sizes – from SOHO to Fortune 500 – with particular expertise supporting legal, financial, healthcare, and telecom firms. A pioneer in the hosted services space, Apptix currently serves over 335,000 users around the world. Apptix's comprehensive portfolio of Cloud solutions includes Microsoft Exchange email, VoIP, SharePoint, Web Conferencing, and Secure IM with Presence. Services are delivered over a highly reliable network leveraging best-in-class technology, housed in SAS 70-compliant data centers, and backed by U.S.-based 24/7 support. For more information, visit www.apptix.com

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Apptix ASA
Interim Consolidated Income Statement

(Amounts in USD 1,000)	Three Months Ended December 31, 2011 IFRS	Three Months Ended December 31, 2010 IFRS	Twelve Months Ended December 31, 2011 IFRS	Twelve Months Ended December 31, 2010 IFRS
Operating Revenues				
Recurring Revenues	10,025	9,633	39,682	37,775
Other Revenues	284	291	992	865
Total Operating Revenues	10,309	9,924	40,674	38,640
Cost of Sales				
Direct Costs of Recurring Revenues	2,789	2,736	11,371	9,953
Direct Costs of Other Revenues	67	82	324	248
Total Cost of Sales	2,856	2,818	11,694	10,201
Gross Profit	7,453	7,106	28,979	28,439
Operating Expenses				
Employee Compensation and Benefits	3,480	3,466	14,060	14,783
Other Operational and Administrative Costs	2,429	2,874	9,345	11,370
Depreciation and Amortization	917	788	3,419	3,713
Total Operating Expenses	6,826	7,128	26,824	29,866
Operating Income / (Loss)	627	(22)	2,155	(1,427)
Other Expense				
Interest, net	(324)	(348)	(1,319)	(1,436)
Other Financial Expense	-	(48)	-	(196)
Total Other Expense	(324)	(396)	(1,319)	(1,632)
Income / (Loss) Before Income Taxes	303	(418)	836	(3,059)
Income Tax Expense	(31)	5	(132)	(51)
Net Income / (Loss) for the Period	272	(413)	703	(3,110)
Share: Basic	0.00	(0.01)	0.01	(0.04)
Diluted	0.00	0.00	0.01	0.00
Weighted Average Common Shares Outstanding	81,430	81,430	81,430	81,430

Apptix ASA
Interim Consolidated Statement of Comprehensive Income

(Amounts in USD 1,000)	Three Months Ended December 31, 2011 IFRS	Three Months Ended December 31, 2010 IFRS	Twelve Months Ended December 31, 2011 IFRS	Twelve Months Ended December 31, 2010 IFRS
Income / (Loss) for the Period	272	(413)	703	(3,110)
Other Comprehensive Income / (Loss)				
Exchange Rate Differences on Translation of Foreign Operations	14	6	1	(5)
Total Other Comprehensive Income / (Loss) for the Period	14	6	1	(5)
Total Comprehensive Income / (Loss) for the Period	286	(407)	704	(3,115)
Attributed to Equity Holders of Parent	286	(407)	704	(3,115)

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Interim Consolidated Statement of Financial Position

(Amounts in USD 1,000)	December - 31 2011 IFRS	December - 31 2010 IFRS
ASSETS		
Non-Current Assets		
Intangible Assets	22,931	23,043
Total Intangible Assets, net	22,931	23,043
Property, Plant and Equipment, net	6,753	6,208
Total Non-Current Assets	29,684	29,251
Current Assets		
Accounts Receivable	1,640	1,558
Other Current Assets	451	539
Prepaid Expenses	992	1,078
Cash and Cash Equivalents	768	966
Total Current Assets	3,851	4,141
TOTAL ASSETS	33,535	33,392
LIABILITIES AND SHAREHOLDERS EQUITY		
Equity Attributed to Equity Holders of the Parent		
Common Stock	4,666	4,666
Paid-in Premium Reserve	73,437	73,437
Other Paid-in Capital	5,749	5,479
Retained Earnings	(64,746)	(65,451)
Total Shareholders Equity	19,106	18,131
Long-Term Debt		
Other Long-Term Debt	5,798	6,428
Total Long-Term Debt	5,798	6,428
Current Liabilities		
Trade Accounts Payable	1,425	2,268
Interest Bearing Short-Term Debt	3,497	3,229
Other Current Liabilities	3,709	3,336
Total Current Liabilities	8,631	8,833
TOTAL LIABILITIES AND EQUITY	33,535	33,392

Apptix ASA

Interim Consolidated Cash Flow Statement

	Twelve Months Ended December 31	
	2011	**2010**
(Amounts in USD 1,000)	**IFRS**	**IFRS**
Cash Flows from Operating Activities		
Net Income / (Loss) for the Period	703	(3,110)
Stock Based Compensation Expense	270	352
Depreciation and Amortization	3,419	3,713
Change in Accounts Receivable	(82)	114
Change in Trade Accounts Payable	(843)	133
Change in Other Assets and Liabilities	243	22
Cash Flows From Operating Activities	3,710	1,224
Cash Flows from Investing Activities		
Purchases of Intangibles and Property and Equipment	(516)	(283)
Cash Flows Used in Investing Activities	(516)	(283)
Cash Flows from Financing Activities		
Payments on Capital Lease and Debt Obligations	(3,743)	(3,779)
Proceeds from Debt Facilities	350	1,775
Cash Flows Used in Financing Activities	(3,393)	(2,004)
Effect of Exchange Rates on Cash and Cash Equivalents	1	(2)
Net Change in Cash and Cash Equivalents	(198)	(1,065)
Cash and Cash Equivalents at Beginning of Period	966	2,031
Cash and Cash Equivalents at End of Period	768	966

Apptix ASA

Interim Consolidated Statement of Changes in Equity

	Attributed to Equity Holders of the Parent					
(Amounts in USD 1,000)	**Share Capital**	**Share Premium Reserve**	**Other Paid in Capital**	**Foreign Currency Translation Reserves**	**Retained Earnings**	**Total Equity**
Equity December 31, 2009	**4,666**	**73,437**	**5,127**	**3,927**	**(66,263)**	**20,894**
Net Loss for the Period	-	-	-	-	(3,110)	(3,110)
Other Comprehensive Income	-	-	-	-	(5)	(5)
Total Comprehensive Income	-	-	-	-	(3,115)	(3,115)
Equity Element of Expensed Options	-	-	352	-	-	352
Equity December 31, 2010	**4,666**	**73,437**	**5,479**	**3,927**	**(69,378)**	**18,131**
Net Loss for the Period	-	-	-	-	703	703
Other Comprehensive Income	-	-	-	-	1	1
Total Comprehensive Income	-	-	-	-	704	704
Equity Element of Expensed Options	-	-	270	-	-	270
Equity December 31, 2011	**4,666**	**73,437**	**5,749**	**3,927**	**(68,674)**	**19,106**

Selected Explanatory Notes to Apptix ASA Interim Condensed Financial Statements

Working Capital Facility

The Company maintains a revolving credit facility with its bank with a borrowing limit of USD 6 million. Amounts available under the working capital facility were previously subjected to a borrowing base formula equal to 75% of the Company's trailing two months cash collections. However, on November 16, 2011, the Company entered into a Fifth Loan Modification Agreement whereby its borrowing ratio calculation was adjusted from trailing two months cash collections to trailing 2.5 months cash collections. Additionally, the interest rate to which borrowings under the facility are subjected was lowered to the bank's prime interest rates plus up to 2 additional percentage points (down from up to 2.5 additional percentage points previously). No other material terms were modified. The term of the working capital facility continues through January 31, 2013. As of December 31, 2011, the Company had USD 4.7 million outstanding on its working capital facility and approximately USD 1.3 million of borrowing capacity. Any amounts under the revolving credit facility may be repaid and re-borrowed at any time prior to the maturity date. This facility is secured by a first priority position in all of the assets of the Company except for those assets financed via capital leases.

Working Capital

The Company is currently operating in a negative working capital position. The negative working capital position is primarily the result of the equipment finance lease agreements entered into during late 2009 and early 2010 in support of the Company's Speedway contract (see below) and deferred revenues related to annual subscription contracts.

The Company entered into a five-year agreement with a healthcare customer (Speedway) in late 2009. During late 2009 and early 2010, the Company focused its efforts on acquiring approximately USD 4.5 million in equipment under capital lease agreements to support the customer infrastructure, implementing the systems including staffing of personnel and other required on-boarding initiatives. As the on-boarding of Speedway was completed during the second half of 2010, the Company's overall operating results were significantly improved.

As outlined in this report, the Company recorded a net profit of USD 272 thousand during the fourth quarter of 2011 consistent with third quarter 2011 levels. Additionally, the Company generated cash of USD 1.1 million during the fourth quarter and USD 3.7 million for the year ended December 31, 2011 from operating activities, amounts sufficient to satisfy debt and capital lease obligations during those periods The Company believes this positive trend in net income and cash flow from operating activities will continue throughout 2012. Accordingly, with the Company's working capital facility (as noted above) along with current cash reserves, the Company believes it has sufficient liquidity to meet its future obligations.

For more information related to this subject, refer to the Company's 2010 Annual Report and Director's Report.