2008: resilience in a challenging environment

Consolidated sales up 3%
Revenue from "Licenses and integration services" up 6%
Estimated earnings favorable in light of H2 economic conditions

Consolidated sales	2008 (€M)	2007 (€M)	Change unadjusted scope of consolidation	Change at constant scope
FULL YEAR*	**248.2**	**241.1**	**+ 2.9%**	**- 1.1%**
First quarter	56.8	56.5	+ 0.5%	+ 1.1%
Second quarter	58.5	56.2	+ 4.1%	+ 3.4%
Third quarter	53.8	54.2	- 0.8%	- 1.1%
Fourth quarter **	79.1	74.2	+ 6.6%	- 6.2%

** Net effect of changes in the scope of consolidation over all of 2008: €+9.7 million.*
2007: AS Infor (Q1): €1.2 million, sale of the specialized hardware direct sales business and related services as of April 1: €-1.4 million;
2008: GD Informatique (April): €0.9 million; VCSTimeless (October): €3.8 million, Civitas (October): €5.2 million.
***Net effect of changes in the scope of consolidation in the 4th quarter: €+9.4 million.*
GD Informatique (April 2008): €0.4 million; VCSTimeless (October 2008): €3.8 million, Civitas (October 2008): €5.2 million.
Sales for all of 2008 reflect the decline, unadjusted for changes in scope, of the "hardware and installation" business of €4.5 million (€4.2 million at constant scope).

Fourth quarter 2008 consolidated sales up 6.6%

Sales in the fourth quarter of 2008 totaled €79.1 million, vs. €74.2 million in the year-earlier period, representing growth of 6.6% (decline of 6.2% at constant scope).

During the period, Cegid benefited from the positive impact of acquisitions initiated in September 2008 in retailing (VCSTimeless) and in the public sector (Civitas). These two companies contributed €9 million to Q4 2008 sales.

The economic slowdown, discernible from September 2008, caused investment decisions to be postponed throughout the software sector. Nevertheless, the contribution of the acquired companies enabled Cegid to post an increase in revenue from "Licenses and integration services" of 6.7% in Q4 2008 unadjusted for changes in scope (decrease of 8.7% at constant scope).

Sales of "hardware and installation", low value-added activities, behaved as they have for the past two years and posted a decline of 13% or €1.1 million in Q4 (down 17% or €1.5 million at constant scope).

Also during the last quarter, new partnerships were signed with companies such as Dolloyau (Hospitality), Laboratoire Fenioux (ERP), Generali (Tax) and Eurogiciels (Payroll/HR).

Full year 2008 consolidated sales up 2.9%

Sales over all of 2008 totaled €248.2 million, vs. €241.2 million in 2007, representing growth of 2.9% (decline of 1.1% at constant scope after taking into account the decline in hardware sales of nearly 17% or €4.2 million).

Revenue from "Licenses and integration services" advanced by more than 6% (stable at constant scope). Compared with the previous year it was especially small companies (up 16%) and payroll/HR solutions (up 13%) that drove this favorable sales performance (excl. revenue from recurrent contracts), against a background of slowing corporate investment.

Revenue from recurrent contracts (€112 million over all of 2008) represented 45% of total sales, up nearly 6.3% from 2007 (up 3% at constant scope). *On Demand* contracts alone (SaaS) rose 8%. The annual portfolio of recurrent contracts totaled more than €120 million as of January 1, 2009.

Consolidated sales (€ M) Unadjusted for changes in scope		Q4	Full year	of which "Licenses and integration services"	of which "Hardware and installation"
CPAs, small companies	2008	33.5	111.8	42.3	14.6
	2007	35.5	112.2	40.7	16.2
Mid-market and groups	2008	19.2	66.0	31.0	1.3
	2007	19.9	65.2	30.4	1.4
Vertical markets	2008	20.6	63.0	33.1	6.0
	2007	18.1	59.0	32.3	7.8
Public sector	2008	5.2	5.2	3.9	-
	2007	-	-	-	-
Miscellaneous	2008	0.6	2.2	0.3	0.1
	2007	0.7	4.7	0.8	1.2
Total	2008	79.1	248.2	110.6	22.0
	2007	74.2	241.1	104.2	26.6

Earnings performance expected to be favorable

Even though economic conditions have deteriorated greatly, Cegid has kept a lid on overheads and other operating expenses, while widening the gross margin*. After taking into account the contribution of companies acquired in the 4th quarter of 2008, this should lead to consolidated EBITDA in line with that of 2007.
After accounting for an increase of around €2.5 million in the amortization of development costs, the operating margin on ordinary activities is estimated to exceed 12% (13.8% in 2007).
Putting this increase in development cost amortization and the increased investments required to open international offices to one side, income from ordinary activities should come in close to its 2007 level.
The economic environment may have deteriorated, but during the second half of the year, Cegid confirmed its resilience and maintained good profitability, while pursuing its acquisition strategy, enabling it to consolidate its position in areas in which it is a leader (Retailing, Hospitality) and to develop solutions for new client industries (public sector).

** Gross profit increased despite the rise in purchases that came about as a result of outsourcing the hardware installation and maintenance business to SCC on April 1, 2007*

Outlook: Cegid has numerous strengths that will help it weather an uncertain economic climate

Consumers and corporations alike have adopted a wait-and-see attitude, reducing visibility on corporate investment trends, but Cegid has numerous strengths it can use to pursue development and maintain a favorable level of earnings.

Cegid is well positioned in its areas of expertise (ERP, Finance/Tax, Human Resources, Retailing, Manufacturing, Hospitality, Wholesaling-Services, Cleaning Services, CPAs, Public Sector). Development will rely on:

- more sales to medium/large companies and corporate groups;
- new solutions deriving from the partnership with Groupama/Gan and intended for CPAs and very small companies and in particular via interactive solutions involving the Comptanoo joint venture;
- expansion in the SaaS (*On Demand*) business, in phase with market expectations;
- strengthened international presence, following the acquisition of VCSTimeless: Cegid is now an international player capable of accompanying its retailing customers on the five principal continents (Africa, North America, South America, Europe and Asia);
- Cegid's ability to maintain acquisition momentum.

Cegid has untapped financial resources in the form of confirmed lines of credit and intends to continue seizing opportunities in 2009 that will enable it to strengthen itself and win market share in its areas of expertise.

Calendar

Full-year 2008 earnings will be published in a press release on March 3, 2009 after the market close.

The full calendar of publication dates and upcoming events can be found at the following address: http://www.cegid.com/calendrier-financier

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(The figures included in this press release are consolidated, unaudited, preliminary estimates.)

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