

Full year 2009

Cegid confirms its healthy performance



Growth in EBITDA: **€59.4M (up 4.6%)**
and in net income: **€17.9M (up 2.8%)**

Consolidated figures, in € M*	2009	2008	Change
Sales**	248.6	248.5	-
EBITDA	59.4	56.8	+4.6%
Income from ordinary activities	28.5	31.3	-8.9%
Operating income	26.5	30.5	-13.0%
Net financial expense	-2.5	-5.5	+55.0%
Net income attributable to parent company shareholders	17.9	17.4	+2.8 %
Net margin	7.2%	7.0%	

* Unadjusted scope of consolidation

** Net effect of changes in the scope of consolidation over all of 2009: €19.8 million (Civitas and VCSTimeless entered the scope of consolidation on October 1, 2008).

Sales for all of 2009 reflected a decline in the «Hardware and installation» business of €3.2 million, unadjusted for changes in scope (€4.5 million at constant scope).

Both EBITDA and net income advanced

Amid very difficult economic conditions, with more favorable trends in the fourth quarter, Cegid continued to demonstrate good performance, posting an advance in EBITDA to €59.4 million (€56.8 million in 2008) and in net income, which totaled €17.9 million (vs. €17.4 million in 2008).

Growth in high value-added sales, together with revenue from recurrent contracts, increased gross profit by 3% and widened the gross margin to 87.5%. At the same time, Cegid kept a tight grip on operating expenses and overheads, leading to income from ordinary activities of €28.5 million and a consolidated net margin of 7.2% (vs. 7.0% in 2008), in excess of expectations for the full year.

Strong cash flow generation and reinforced financial structure

Cash flow after interest expense and taxes paid totaled €53.7 million, up nearly 8% from €49.9 million in 2008.

After taking into account a €5.8 million reduction in the working capital requirement, reflecting an improvement in customer payment terms of more than 2 days, net cash from operating activities increased more than €16 million to €59.6 million, from €43.2 million in 2008.

As a result, net debt declined by €20 million. Gearing, the ratio of net debt (€63.5 million at December 31, 2009 and €83.2 million at December 31, 2008) to consolidated shareholders' equity was 38.6% at December 31, 2009, vs. 53.6% a year earlier.

Cegid also has a €198 million confirmed line of credit, ensuring the Group sufficient capacity to finance its investment needs in the years to come, in particular related to acquisitions.

Given the overall context of economic recession, which slowed down corporate investment decisions, overall performance was very healthy.

Proposed dividend: €1.05 per share

The Board of Directors will recommend a dividend on 2009 earnings of €1.05 per share to shareholders at their annual meeting. Based on the number of shares in circulation on March 1, 2010, less shares held in treasury, the total amount of dividends paid would be approximately €9.3 million.

The yield on Cegid Group shares would then be 6.7%, based on the share price at December 31, 2009 and 5.2% based on that of March 1, 2010.

After approval by shareholders at their annual meeting on May 6, 2010 at 11 AM at the head office of Cegid Group, 52 quai Paul Sédallian, 69009 Lyon, the dividend would be paid on May 14, 2010.

Outlook: Market share growth targets in leadership sectors and international development

Current economic conditions offer little visibility on an economic recovery in France. In this context, Cegid intends to use its sound business model, continued improvement in its product mix and its rigorous management of operations to strengthen its market positions.

Internationally, Cegid can now support its retailing customers on all continents and has become an international partner for the world's major retailing companies. Cegid has a direct presence in the United States, China and the principal European countries and also works with numerous local partners.

Cegid has numerous strengths that will help it benefit from any improvement in economic conditions:

- specialization and leadership positions in its areas of expertise: ERP, Finance and Taxation, Human Resources, Retailing, Manufacturing, Hospitality, Wholesaling, Services, Cleaning Services, CPAs and the Public Sector;
- strong skills in SaaS (On Demand) solutions and portals;
- new products and services for the agricultural sector, both insourced and in On Demand mode;
- international presence, which has been stepped up in recent years;
- an installed base of 80,000 customers that generate annual recurrent revenue in excess of €120 million, or nearly 50% of total sales. This installed base also represents significant potential for sales of complementary products and migration to new Cegid solutions and leads to very low customer concentration;
- successful experience in acquisitions and in integrating acquired companies into the Group.

Cegid is poised to demonstrate its ability to generate a favorable level of operating profitability and to take advantage of economic recovery in the years to come.

First quarter 2010 sales will be published on April 8, 2010 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>

(The full year 2009 financial statements were approved by the Board of Directors on March 2, 2010. The Statutory Auditors have performed their audit and are preparing their reports to certify the financial statements.)

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