

First quarter 2010 sales

Sales impacted by still-lackluster economic conditions

With corporate investment still sluggish, Cegid posted consolidated sales of €58 million in the 1st quarter of 2010, down nearly 7% from its favorable top line of Q1 2009.

Revenue from recurrent contracts of €30 million represented 52% of consolidated sales, with a 16% rise in revenue from SaaS (Software as a Service) contracts.

Revenue from "Licenses and integration services" contracted by nearly 11% compared with the 1st quarter of 2009, which was still relatively unaffected by the recession, as the downturn began in earnest in the 2nd quarter of 2009. There was a sharp contrast during the quarter between large customers, which were recovering, and smaller organizations. Cegid posted favorable sales in retailing and in the public sector and is positioned on a significant number of large projects.

The less strategic "Hardware and installation" business saw sales decline by 20%, or €0.9 million.

During the first quarter of 2010, Cegid signed new contracts in the following sectors: Retail (Carven, Jardis-Dépôt), Public sector (Cannes community assistance center, towns of Carqueiranne and Elne), and Wholesale ERP (Groupe CB).

Positive gross margin trend owing to product mix and leaner breakeven point

A better product mix widened the gross margin to 87.9% of sales (87.5% in Q1 2009).

The estimated average monthly breakeven point for the 1st quarter of 2010 should be approximately €18.2 million, or around €0.5 million less than it was in Q1 2009, even though amortization of development costs was on average €0.3 million per month higher.

Shareholders' Meeting and dividend

The Shareholders' Meeting will take place on May 6, 2010 at 11 AM at the head office of Cegid, 52 quai Paul Sédallian, 69009 Lyon, France. After approval by shareholders, the proposed dividend (€1.05 per share) will be paid on May 14, 2010.

Calendar

Second-quarter sales and first-half 2010 earnings will be announced on July 21, 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>

Consolidated sales (€ M) Unadjusted scope*		Q1	of which "Licenses and Integration services"	of which "Hardware and installa- tion"
CPAs, small companies	2010	23.1	7.9	2.5
	2009	25.3	9.0	2.8
Mid-market and groups	2010	16.3	6.3	0.2
	2009	16.5	7.9	0.2
Vertical markets	2010	14.3	7.6	0.8
	2009	15.7	8.2	1.2
Public sector	2010	3.3	2.1	-
	2009	3.0	1.7	-
Other	2010	1.0	0.2	-
	2009	1.7	0.2	0.1
Total	2010	58.0	24.1	3.5
	2009	62.2	27.0	4.3

* The changes in the scope of consolidation reflect changes in the operational organization introduced in 2010.

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

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