

3% growth in third quarter sales



Healthy level of revenue from licenses and "On Demand" services
Favorable business outlook

Sales for the third quarter and first nine months of 2010

■ Third quarter 2010

Third quarter 2010 sales totaled €56.3 million*, vs. €54.6 million in Q3 2009, representing a rise of 3% (2.3% at constant scope). Revenue from "Licenses and Integration services" rose by more than 5%. "On Demand" revenue continued to post strong growth, advancing by 30% (up 20% at constant scope).

Revenue from recurrent contracts, up more than 2%, represented 55% of total sales for the quarter.

New agreements were signed during the period, in particular in the following sectors: Finance (APAJH 44), Hospitality (Alteroa) and Manufacturing (Pubert)

■ First nine months of 2010

After posting H1 2010 revenue comparable to that of the year-earlier period, favorable conditions in the third quarter enabled Cegid to post growth in consolidated sales for the first nine months of the year to €176.3 million (€175 million in the nine months to September 30, 2009).

The proportion of license revenue in the "Licenses and Integration services" is increasing and "On Demand" services are continuing to meet with success. These trends are in line with the Group's strategic shift towards a software pure-player model. "Hardware and Installation" revenue represented only 6% of total sales in the first nine months of 2010.

Recurrent revenue during the first nine months of the year totaled nearly €93 million and represented 53% of total sales. The portfolio of contracts totaled €124 million at September 30, 2010.

Consolidated sales in € M, unadjusted scope		Q3	Nine months ended Sept. 30	of which "Licenses and Integration services"	of which "Hardware and installation"
CPAs, small companies	2010	22.6	67.9	21.5	7.5
	2009	23.3	70.8	22.3	8.2
Mid-market and groups	2010	16.1	51.7	20.4	0.5
	2009	14.8	47.5	20.0	0.5
Vertical markets	2010	13.5	44.1	23.1	2.8
	2009	12.9	44.6	22.2	3.4
Public sector	2010	3.0	9.6	5.5	-
	2009	2.4	8.0	4.4	-
Other	2010	1.2	3.1	0.1	0.1
	2009	1.2	4.1	1.0	0.2
Total	2010	56.3	176.3	70.6	10.9
	2009	54.6	175.0	69.9	12.3

* Net effect of changes in the scope of consolidation: €0.4 million (estimated and unaudited).

Favorable business outlook; increased order book

Against an economic background characterized by reduced visibility, Cegid will be able to continue growing in two ways. Firstly, in the fourth quarter, its well-stocked order book will have a positive impact, as the backlog at September 30, 2010 was up from its year-earlier level. Secondly, the pace of expansion will increase, in particular in the United States and Asia. Cegid aims to derive a significant portion of its total sales from abroad in the medium term.

The product mix continued to evolve favorably, widening gross margin, while operating expenses were kept under tight control. These factors had a positive impact on the average monthly breakeven level of sales, which should come in at €18.3 million for the full year. This is lower than the €18.5 million level initially forecast.

With this increased operating leverage, fourth quarter sales should have a favorable impact on Cegid's profitability.

Cegid intends to confidently pursue its strategy as a software provider, both in France and abroad, while maintaining a cautious business management policy, in line with a gradually-recovering economic environment.

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

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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