

# Fiscal year 2010

Sales of **€249.6 million** (€248.6 million in 2009)

Good operating performance



**Increase in revenue from strategic businesses: International (up 35%), SaaS (up 23%) and Licenses (up 12%)**

Consolidated sales	2010 (€M)	2009 (€M)	Change, unadjusted scope	Change, constant scope
First quarter	58.0	62.2	-6.8%	-6.8%
Second quarter	62.0	58.2	+6.5%	+6.5%
Third quarter	56.3	54.6	+3.1%	+2.4%
Fourth quarter	73.3	73.6	-0.3%	-0.9%
<b>TOTAL EXERCICE*</b>	<b>249.6</b>	<b>248.6</b>	<b>+0.4%</b>	<b>-</b>

\* Net effect of changes in the scope of consolidation over the full year: €0.9M.

Reminder: Cegid Front RH entered the scope of consolidation on July 1, 2010.

Axeteam entered the scope of consolidation on December 1, 2010.

Sales for all of 2010 reflected a decline in the "Hardware and installation" business of €2.3 million (12.5%).

For the year ended December 31, 2010, the Group posted sales of €249.6 million, with 12% growth in Licenses over the full year. Sales of software in SaaS mode also grew faster than the market. They rose by more than 23% (€16 million), making Cegid a major player in this market segment. Overall, revenue from the strategic software provider business (software sales and SaaS) rose by nearly 13%.

Revenue from "Licenses and Integration services" remained at the same level as that achieved in 2009 despite weaker performance in Integration services.

Recurrent sales of €124 million represented 50% of total sales, the highest annual percentage ever, as SaaS sales ramped up and the customer support business remained healthy.

Internationally, Cegid saw significant growth in its non-recurrent contract sales, which surged 35%, essentially in the Retail sector.

Fourth quarter consolidated sales totaled €73.3 million, vs. €73.6 million in Q4 2009, as "Hardware and installation" sales declined by 15%.

New partnerships have been signed, including: Yourcegid Manufacturing (Faral), Yourcegid Retail France (Bexley, Isabel Marant, Steffy), Yourcegid Retail International (Encuentro, HTL, Golden Point, Incanto, Petit Patapon), Quadratus Cleaning Services in SaaS mode (Augias), Yourcegid Hospitality (Dock Ouest), Yourcegid Performance Management (groupe Materis).

Consolidated sales (€ M) Unadjusted scope	Q4	Full year	of which "Licenses and Integration services"	of which "Hardware and installation"	
CPAs, small companies	2010	30.6	98.5	34.2	11.8
	2009	32.1	102.9	35.3	13.2
Mid-market and groups	2010	19.5	71.2	29.1	0.7
	2009	18.1	65.6	28.9	0.8
Vertical markets	2010	17.7	61.8	33.1	3.9
	2009	17.6	62.2	32.1	4.7
Public sector	2010	5.1	14.6	9.2	-
	2009	4.8	12.8	7.8	-
Other	2010	0.4	3.5	0.6	0.2
	2009	1.0	5.1	1.2	0.2
<b>Total</b>	<b>2010</b>	<b>73.3</b>	<b>249.6</b>	<b>106.2</b>	<b>16.6</b>
	<b>2009</b>	<b>73.6</b>	<b>248.6</b>	<b>105.3</b>	<b>18.9</b>

**Both EBITDA and Net income firmed**

Since November 2009, expenses related to outsourcing the logistics and equipment preparation activities have been recognized in purchases, while other purchasing costs have been tightly controlled. After taking these factors into account, improvement in the product mix should lead to a gross margin of 86.5%.

EBITDA for the year is expected to be up slightly compared with 2009 (€59.4 million). Estimated operating profit on ordinary activities reflected certain non cash items, including an increase of around €3 million in amortization of development costs and identified assets from business combinations. Operating profit on ordinary activities should be less than it was in 2009 (€28.5 million), while the operating margin on ordinary activities should come in at more than 10% of consolidated sales.

After adding back a €2 million provision for risk (included in operating profit), subtracting improved net financial expense and corporate income tax, net income is estimated to be up from 2009 (€17.9 million).

Net debt at December 31, 2010 should total around €68 million, implying gearing in the region of 40% (39% at December 31, 2009).

**Outlook: more organic growth and acquisitions**

The economic environment is improving, and Cegid plans to pursue further growth, both in France and abroad, by leveraging its :

- software provider approach, specialized around the Yourcegid product range, which has been very successful with large account customers,
- strong skills in SaaS (On Demand) solutions, well suited to the middle market,
- accelerating international development in the Retail sector,
- sound financial structure bolstered by €200 million in confirmed, five-year lines of credit (extendible to seven), granted as part of a new club deal,
- expertise in acquisitions and in integrating acquired companies into the group.

**Cegid Group shares will transfer to Compartment B of Euronext Paris**

Given the rise in its share price and resulting market capitalization, Cegid Group will return to Euronext Paris Compartment B on January 24, 2011.

Full-year 2010 earnings will be published on March 2, 2011 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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