Generix Group announces its results for fiscal year 2010/2011 and an 8.2 million euros capital increase

Paris, July 19, 2011 - ***Generix Group issues today its results for fiscal year ended March 31, 2011, as finalized by the Management Board on July 18, 2011.***

Unaudited	**Twelve months ended March 31,**		**Change**
IFRS consolidated accounts, in millions of euros	**2010/2011**	**2009/2010**	
Revenues	66,2	68,6	-2,4
Income from operations	-5,2	-3,5	-1,7
Financial loss	-0,7	-0,8	0,1
Income before incomes taxes	-5,9	-3,5	-2,4
Income taxes benefit	-0,3	0,8	-1,1
Net income	**-5,7**	**-2,8**	**-2,9**

(1) The property tax is now recorded as a reduction of the income tax benefit as opposed to an operational expense in previous years. This tax amounts to 0.7 million euros for the twelve-month period ended March 31, 2011. The property tax amounting to 0.6 million euros for the twelve-month period ended March 31, 2010 was reclassified as a reduction of the income taxes benefit for comparability purposes.

Generix Group recorded a 5.7 M€ net loss for fiscal year 2010/2011 compared to a 2.8 M€ net loss for fiscal year 2009/2010. Losses from operations in 2010/2011 are explained by a decrease in license revenues that was not offset by the significant increase in SaaS revenues and the reduction in operating expenses.

Financial year 2010/2011 was impacted by a reorganization of the sales force and marketing efforts to improve the readability of the Group's offering. Cost reduction initiatives were carried out across all group's departments, but overruns were recorded in particular in the consulting activity that did not deliver expected margins.

No deferred tax asset in this fiscal year was recorded this fiscal year as opposed to previous fiscal years.

Unaudited	**Twelve months ended March 31,**		**Change**
EBITDA, in millions of euros	**2010/2011**	**2009/2010**	
Revenues	66,2	68,6	-2,4
Direct expenses (1)	-2,1	-2,4	0,3
Other expenses (1)	-19,1	-18,0	-1,1
Taxes (2)	-1,7	-1,9	0,2
Personnel costs	-42,0	-42,5	0,5
Release of provisions used during the fiscal year	-0,2	-0,2	0,1
Capitalized software development costs	-0,9	-1,9	1,1
EBITDA (3)	**0,3**	**1,6**	**-1,3**

(1) For the year ended March 31, 2010, sub-contracting costs initially recorded as direct expenses for an amount of 4 216 K€ were reclassified as other expenses, as such items are recorded for the year ended March 31, 2011, for comparability purposes.
(2) The property tax is now recorded as a reduction of the income tax benefit as opposed to an operational expense in previous years. This tax amounts to 0.7 million euros for the twelve month period ended March 31, 2011. The property tax amounting to 0.6 million euros for the twelve month period ended March 31, 2010 was reclassified as a reduction of the income taxes benefit for comparability purposes.
(3) The EBITDA calculation was revised to be consistent with the EBITDA definition for the bank covenants. EBITDA therefore amounts to 0.3 million euros for fiscal year 2010/2011, as opposed to a negative 0.1 million euros EBITDA as published on June 1, 2011.

Unaudited	Twelve months ended March 31,		Change
Net debt, in millions of euros	**2010/2011**	**2009/2010**	
Cash and cash equivalents, end of period	3,7	5,8	-2,1
Short-term and long-term portions of financial obligations	-8,1	-11,4	3,3
Net debt	**-4,4**	**-5,6**	**1,2**

Unaudited	Twelve months ended March 31,		Change
Consolidated statements of cash flows, in millions of euros	**2010/2011**	**2009/2010**	
Net income adjusted by non-cash items	0,5	2,1	-1,6
Change in working capital	2,7	4,9	-2,2
Net cash resulting from operating activities	**3,2**	**7**	**-3,8**
Net Cash used in investing activities	-1,9	-3,8	1,9
Net cash used in financing activities	-3,4	-4,1	0,7
Net decrease in cash and cash equivalents	**-2,1**	**-0,9**	**-1,2**
Cash and cash equivalents, end of period	**3,7**	**5,8**	**-2,1**

Fiscal year 2010/2011 ended with a 2.1 million euros net decrease of cash resources. The improvement in the annual average DSO (Days Sale Outstanding) from 92 to 74 days did not allow offsetting the decrease in net income adjusted by non cash items, taking into accounts investments and loan reimbursements.

Cash resources kept on decreasing during the first quarter of fiscal year 2011/2012. As a consequence, Pléiade Investissement increased its current account with Generix Group from 750 K€ at the end of April 2011 to 4 M€ at the end of June 2011. Generix group will have a 8.5 M€ line of credit available from August 31, 2011 to March 31, 2012, in accordance with the agreement reached with its bank and announced on January 24, 2011.

In order to ensure the financing of fiscal year 2011/2012, Generix Group considers submitting to the shareholders' meeting scheduled to be held on September 15, 2011 a 8.2 million euros capital increase (including paid-in capital) with subscription rights offered to existing shareholders, which capital increase is conditional upon receiving a visa from the AMF ("Autorités des Marchés Financiers"). Under this going concern assumption, the July 18, 2011 Management Board was able to finalize the 2010/2011 results.

Pléiade Investissement, which currently owns 29,6% of outstanding shares and 27,9% of voting rights, considers guaranteeing 100% of this capital increase, either in cash or by offsetting its current account. This guarantee is subject to a change in bank covenants, for which Generix Group has reached an agreement with its banks, and an exemption from the AMF to implement a mandatory tender offer, as Pléiade Investissement is likely to go beyond the 30% threshold of capital ownership and voting rights of Generix Group.

If no other shareholders were to subscribe, at the considered stock price (in equivalent market conditions) of 0.90 € per share, Pléiade Investissement would own at the end of the proposed transaction 56,7% of outstanding shares et 54,6% of voting rights ; if 50% of other shareholders were to subscribe in accordance with their subscription rights, Pléiade Investissement would own 43,2% of outstanding shares and 41,6% of voting rights (out of 14.471.680 outstanding shares et 15.379.465 theoretical voting rights on June 30, 2011).

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About Generix Group

Generix Group offers Collaborative Business solutions that optimize consumer goods availability across the supply chain and increase their sales. This unique offering on the market is targeted at the CPG industry, food & specialist retail, e-commerce and transport/logistics companies.
With €66 million in revenues, Generix Group is the European leader for Collaborative Business solutions for the trade and supply chain markets. Carrefour, Gefco, Leclerc, Leroy Merlin, Nestlé, Unilever, DHL Exel Supply Chain, Louis Vuitton Sodiaal, Metro, Sara Lee, Kuehne + Nagel, Cdiscount... Over 1500 retailers, global manufacturers and logistic providers selected Generix Group Collaborative Business solutions.