Third quarter 2011
Sales up 4.6%

Cegid Group

Sales of On Demand solutions continue to post solid growth
Improvement in net cash from operating activities

Sales in the third quarter and the first nine months of 2011

Consolidated sales (€ M) Unadjusted scope	Q3 2011	Q3 2010	Chg. Q3	9 mos. 2011	9 mos. 2010	Chg. 9 mos.
Licences	**7.0**	7.6	-7.1%	**23.9**	26.6	-10.2%
SaaS	**4.9**	4.2	18.1%	**14.3**	12.0	19.6%
Maintenance	**24.9**	23.8	4.4%	**74.4**	71.0	4.8%
Other	**1.4**	1.5	-6.7%	**4.1**	4.0	2.9%
Total Software and software-related services (SSRS)	**38.2**	37.0	3.2%	**116.7**	113.5	2.8%
Professional services	**13.0**	11.3	15.0%	**45.4**	39.1	15.9%
Total SSRS and professional services	**51.2**	48.3	6.0%	**162.1**	152.6	6.2%
Hardware distribution and other	**7.7**	8.0	-3.4%	**22.8**	23.7	-3.5%
TOTAL	**58.9**	56.3	4.6%	**184.9**	176.3	4.9%
Of which recurrent	**32.7**	31.2	4.7%	**97.8**	92.9	5.2%

Third quarter 2011

Third quarter 2011 sales totaled €58.9 million* up 4.6% at unadjusted scope (1.7% at constant scope, i.e. comparable to the change recorded in the first half). For the tenth quarter in a row, sales of "On Demand" solutions posted sharp growth (up 18%), furthering the shift in Cegid's business model towards recurrent revenues.

Although Licenses revenue has been affected by the shift in the business model towards SaaS solutions (invoiced over 36 or 48 months), sales in SSRS increased 3.2%, higher than that recorded in H1 2011 (2.6%).

Training, consulting, configuration and deployment (€13.0 million) increased 15% on Q3 2010.

As a result, revenue from "SSRS and professional services" rose by 6.0% (2.8% rise at constant scope).

In the third quarter of 2011, sales from "hardware distribution and other" totaled €7.7 million.

Finally, Q3 revenues from recurrent contracts (maintenance and SaaS) totaled €32.7 million, up 4.7% (1.7% at comparable scope).

First nine months of 2011

In the first nine months of FY 2011, Cegid's sales amounted to €184.9 million** (€176.3 million for year-earlier period). The period's highlights included an increase in SSRS and professional services, SaaS solutions in particular, for which sales (€14.2 million) advanced by almost 20% during the first nine months of the fiscal year.

As of September 30, 2011, SaaS contract revenues invoiceable before 2017 represented an estimated value of almost €28 million (€25 million as of June 30, 2011).

As of September 30, 2011, the portfolio of contracts (Maintenance and SaaS) totaling €129.4 million, up 4.4% on the year-earlier period (€123 million), strengthened the recurrent nature of the business and ensured greater revenue visibility.

Recurrent revenue totaled €97.8 million (53% of total revenue).

** Effect of changes in the scope of consolidation in the 3rd quarter: €1.6 million (estimated and unaudited).*
*** Effect of changes in the scope of consolidation in the first nine months of 2011: €5.6 million (estimated and unaudited).*

Consolidated sales (€ M) Unadjusted scope		Q3	9 mos. ended Sept. 30	of which "SSRS and professional services"	of which "Hardware distribution and other"
CPAs, small companies	2011	23.8	70.0	57.2	12.8
	2010	22.6	67.9	55.4	12.5
Mid-market and groups	2011	16.4	51.4	50.0	1.4
	2010	16.1	51.7	49.6	2.1
Vertical markets	2011	14.2	47.6	41.1	6.4
	2010	13.5	44.1	37.7	6.4
Public sector	2011	3.9	13.8	13.5	0.3
	2010	3.0	9.6	9.5	0.0
Miscellaneous	2011	0.6	2.1	0.3	1.9
	2010	1.1	3.0	0.4	2.7
Total	**2011**	**58.9**	**184.9**	**162.1**	**22.8**
	2010	**56.3**	**176.2**	**152.6**	**23.7**

Good control of breakeven point

The continuing favorable trend of the product mix and its impact on the gross margin, combined with tight control over operating expenses, had a positive effect on the estimated monthly breakeven point, which stood at €18.4 million as of September 30, 2011, lower than the initially forecast €18.8 million.

Improved net cash from operating activities

The favorable level of cash flow on June 30, 2011 with its estimated increase as of September 30, 2011, and the decrease in working capital requirements brought estimated net debt to a level near that of December 31, 2010, after the dividend payout and the financing of acquisitions made in the first half.

Cegid has access to €200 million in confirmed lines of credit, with an initial term of five years, extendible to seven (June 30, 2017), with the November 2010 line gradually replacing the one signed in July 2006.

Outlook

The recurrent nature of revenues and the order book levels as of end-September put Cegid in good stead for strong sales at the start of the fourth quarter.

These elements, combined with good control of the breakeven point and a robust financial structure, will enable Cegid to continue its growth strategy around new solutions in particular in SaaS mode both in France and abroad, expanding its ecosystem and pursuing acquisitions.

New liquidity contract

On September 29, 2011, Cegid entered into a new liquidity contract with Gilbert Dupont. The liquidity contract was formerly held with CM-CIC Securities. The contract entered into force on October 3, 2011.

The full calendar of publication dates and upcoming events can be found at the following address : **http://www.cegid.com/calendrier-financier**

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

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October 13, 2011