Full year 2011

Growth in sales and operating results

SSRS and professional services: **up 7.5%**, incl. SaaS **up 25%**

Recurrent revenue: **€131.6M (50% of total sales)**

EBITDA: **€62.9M (up 4.1%)**

Income from ordinary activities: **€29.1M (up 7.6%)**

Net cash from operating activities: **€54.6M (up 28.2%)**

Unadjusted scope	2011 (€M)	2010 (€M)	Change 2011/2010
Sales	263.8[1]	249.6	+5.7%
EBITDA	**62.9**	**60.4**	**+4.1%**
Income from ordinary activities	**29.1**	**27.0**	**+7.6%**
Operating income	28.2	30.8	NC[2]
Net financial expense	-1.8	-1.4	-30.9%
Pre-tax income	26.4	29.4	NC
Net income attributable to parent company shareholders	16.2	19.3	NC
Net cash from operating activities	**54.6**	**42.5**	**+28.2%**

(1) Net effect of changes in the scope of consolidation over all of 2011: €6.6 million (VISA was consolidated from January 1, 2011, Innov'adhoc from March 1, 2011 and 21S from May 1, 2011).
(2) Operating income reflected the negative impact of a non-recurring provision of around €0.8 million related to a business combination, whereas 2010 operating income had reflected revenue from a provision reversal and from negative goodwill, totaling €3.3 million.
NC: not comparable

Increase in sales of SSRS and professional services and strong growth in SaaS

Consolidated sales for the financial year ended December 31, 2011 totaled €263.8 million (€249.6 million in 2010), representing an increase of 5.7% (3.1% at constant scope).

Revenue from "SSRS and professional services" advanced by more than 7% (4.3% at constant scope), with services up 18%, including growth in the business related to new employee data transmission regulations (N4DS).

Revenue from recurrent contracts of €131.6 million was up €7.1 million and represented 50% of total sales, a level comparable to that of 2010, given growth in overall sales.

In 2011, Cegid experienced a very strong increase in demand for most of its industry-specific solutions in SaaS mode (Accounting profession, Retail, Services-Trading, Taxation), thereby complementing recurrent SaaS revenue from its HR/payroll solutions. Accordingly, SaaS sales posted strong growth of 25%.

In this context, revenue from "licenses" (€39 million) was down slightly (4%) compared with 2010. Over the full year, revenue from the strategic software provider business (software sales and SaaS) rose by 4%.

Revenue from the non-strategic "hardware distribution and other" business was €31.5 million, or 12% of total sales, down €2 million from 2010.

Increase in operating results

EBITDA was €62.9 million, rising 4.1% and exceeding its previous high of €60.4 million posted in 2010.

Income from ordinary activities reflected a special profit-sharing payment of €0.6 million and €33.4 million in depreciation, amortization and provisions. This figure was €1.3 million higher than in 2010 because of amortization of development costs and identified assets from business combinations. It also reflected a research tax credit of €0.2 million, recognized as an operating subsidy. Income from ordinary activities thus totaled €29.1 million (€27.0 million in 2010), representing a margin of 11.0% of consolidated sales (10.8% in 2010).

2011 operating income of €28.2 million (€30.8 million in 2010) reflected the negative impact of a non-recurring provision of around €0.8 million related to a business combination, whereas 2010 operating income had reflected revenue from a provision reversal and from negative goodwill, totaling €3.3 million.

Net financial expense, made up primarily of interest on drawdowns under the syndicated line of credit, totaled €1.8 million in 2011 (€1.4 million in 2010). This change came about as a result of higher interest rates, partially offset by lower average outstanding debt than in 2010.

Income tax expense was €9.9 million (€9.7 million in 2010). This figure included €0.4 million resulting from a 5% "exceptional contribution", which increased the tax rate for companies with sales of more than €250 million.

Net income for fiscal year 2011 totaled €16.2 million. Owing to the items mentioned above, this figure was not comparable to that of the previous year (€19.3 million).

February 29, 2012

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ICB: 9537 Software
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Sharp rise in net cash from operating activities: balanced financial structure and gearing

Cash flow generated by the business rose significantly (9%) to €62.4 million (€57.3 million in 2010), or 23.7% of consolidated sales. After payment of interest and taxes totaling approximately €10.0 million, cash flow came to €52.4 million (€48.2 million in 2010).

Net cash from operating activities totaled €54.6 million (€42.5 million in 2010), owing to a further improvement in working capital requirements, as receivables collection times continued to decline.

Cegid was also able to finance most of its capital expenditures through cash flow. These comprised principally development costs (€32.0 million) and acquisitions, which also included working capital requirements between the acquisition date and year-end (€6.4 million).

Gearing, or the ratio of net debt to consolidated shareholders' equity, improved to 35% at December 31, 2011, vs. 39% at December 31, 2010. After the financing of 2011 investments (€41.2 million), net debt declined €4.1 million to €63.8 million between year-end 2010 and 2011.

Cegid has two syndicated lines of credit totaling €200 million, of which €136 million was available as of December 31, 2011. These lines provide Cegid with a significant drawdown capacity for future years, which it can use to finance its investment needs, in particular acquisitions.

Proposed dividend (€1.05 per share)

The Board of Directors will recommend a dividend on 2011 earnings of €1.05 per share (€1.05/share on 2010 earnings) to shareholders at their Annual Meeting. Based on the number of shares in circulation on February 29, 2012, less shares held in treasury, the total amount of dividends paid would be approximately € 9.3 million.

The yield on Cegid Group shares would then be 7.3%, based on the share price at December 31, 2011 and 5.6% based on that of February 28, 2012.

After approval by shareholders at their Annual Meeting on May 10, 2012 at 11 AM at the head office of Cegid Group, 52 quai Paul Sédallian, 69009 Lyon (France), the dividend will be paid on May 18, 2012.

Outlook: stronger positioning and strategy in phase with the market

The strategy developed by Cegid, which has gathered pace over the past few years, enables it to approach today's very uncertain economic environment with confidence and a desire to win.

Stronger positioning:

- Cegid has an installed base of more than 95,000 customers who generate high recurrent revenue (€131.6 million, or 50% of total sales);
- Cegid's sales are spread among eight business lines and, depending on the business line, over companies of all sizes (SMEs, large companies and corporate groups);
- Cegid's professional staff have developed in-depth knowledge over many years in the industries and functions Cegid targets;
- Medium-term financing is in place, with €200 million in five-year confirmed lines of credit (maturity 2015), extendible to seven (2017).

Strategy in phase with the market:

- Product/solution specialization: Cegid is specialized by business sector (Manufacturing, Services, Trading, Retail, Hotels-Restaurants, CPAs, Associations, Entrepreneurs, Public sector) and by functional expertise (finance, taxation, performance management, human resources). It is in phase with companies wanting to modernize their business processes through targeted investments rather than via a complete overhaul of their IT systems;
- International: Cegid has a consolidated international presence in retailing that will gradually be extended to activities in the manufacturing sector.
- SaaS and cloud computing: Cegid is positioned as a key player in SaaS (On Demand) solutions, in line with growing market demand for these services. This reinforces the recurrent nature of Cegid's top line. Cegid will increase its presence in cloud computing, by teaming up with IBM to create a private cloud solution, located and managed in France for businesses and public sector entities. In so doing, Cegid confirms its lead in this market and is empowering itself to accompany its customers' growth with flexibility and security. This partnership complements those already created on certain product lines, such as with Orange Business Services, whose cloud-ready network is natively connected to Yourcegid On Demand solutions, and with Microsoft and its Live@edu and Azure cloud platforms.

These factors, combined with new, innovative mobility solutions and Cegid's expertise in acquiring and integrating companies, should enable the Group to actively pursue its expansion in the years to come, both in France and abroad.

Calendar

First quarter 2012 sales will be published on April 12, 2012 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

The full year 2011 financial statements were approved by the Board of Directors on February 29, 2011.
The Statutory Auditors have performed their audit and are preparing their reports to certify the financial statements.
The information meeting slideshow and video will be available from March 2, 2012 at the following address: http://www.cegid.com/slideshow

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