

Full year 2012



SSRS sales of €166M (up 0.6%)

Total sales of €258M (down 2.2%)

Strong growth in SaaS/On Demand business (up 36%)

Strong growth in recurrent, SaaS/On Demand sales of 36%

Consolidated sales by type of product/service (in € M)	2012	2011	Chg. in € M	Chg. in %
Licenses	32.7	39.0	-6.3	-16.1%
SaaS/On Demand	27.0	19.9	7.1	+35.7%
Maintenance	101.0	99.8	1.2	+1.2%
Other	5.5	6.6	-1.1	-16.7%
Total Software and software-related services (SSRS)	166.2	165.3	0.9	+0.6%
Professional services	60.0	66.9	-6.9	-10.3%
Total SSRS and professional services	226.2	232.2	-6.0	-2.6%
Hardware distribution and other	31.8	31.6	0.2	+0.9%
Total*	258.0	263.8	-5.8	-2.2%
Of which recurrent	138.7	131.6	7.1	+5.4%

* Effect of changes in the scope of consolidation in 2012: €1.0 million (estimated and unaudited)

The trend in Cegid's sales, in an economic environment that prompted companies to cut back on investment, particularly in the last four months of the year, reflected its evolving business model, now increasingly oriented towards recurrent, SaaS-based contract revenue. This revenue is generally recognized in Cegid's sales over a three-year period.

This business picked up speed in 2012, with SaaS/On Demand and portal mode solutions rising 35.7% to €27 million (following a 22.3% rise in 2011). Particularly strong in 2012 among Cegid's customers in the accounting profession, this trend has confirmed Cegid as a major player in "On Demand" solutions and in its ability to address customers' new ways of using information systems.

Cegid strengthened this position by acquiring TDA in 2012. With this acquisition, the Group can offer new On-Demand advisory products in the area of personnel management (employee savings, pension commitments, independent professionals, personnel audits, etc.) and finance (reporting, sectoral comparison, forecasting, valuation, etc.) for the accounting

profession and corporate users. Cegid and TDA presented these full web solutions at the most recent convention of French CPAs, and they will be offered via all of Cegid's sales channels and in particular on the Wexperandyou portal and the CegidStore e-commerce site.

Consequently, as of January 1, 2013, SaaS contract revenue invoiceable before 2018 represented an estimated value of nearly €50 million (€32 million as of January 1, 2012 and €21 million as of 1 January 2011), an increase of 56% in one year.

Revenue from recurrent contracts of €138.7 million, including maintenance (software and hardware) and SaaS contracts, rose €7.1 million, or 5.4%, and represented 54% of total sales, an increase of nearly four percentage points.

Because the business model was changing and the sales of SaaS solutions accelerating, against a background of deteriorating economic conditions, "Licenses" sales declined 16.1% compared with 2011 to €32.7 million. Overall, revenue from the strategic software and SaaS businesses rose slightly (0.6%) before adjustments for changes in scope and was stable after adjustment.

Excluding adjustments at Cegid Public related to the recognition of specific items on certain projects, SSRS revenue advanced by nearly 2%, a gratifying result in the face of recession-diminished corporate investment.

Revenue from "SSRS and professional services" retreated by 2.6% (down 3.1% at constant scope), with services down 10.3%, linked largely to employee regulation activity (N4DS), which made a particularly strong contribution in 2011. This sales trend also came about because integration services were outsourced to partners (principally on human resources solutions), thereby enabling the Group to refocus on its strategic SSRS business.

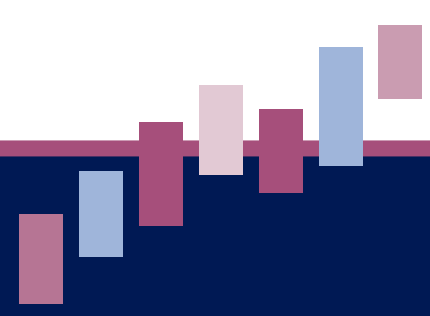
Revenue from the non-strategic "hardware distribution and other" business was €31.8 million, or 12% of total sales, comparable to that of 2011 (€31.6 million).

Internationally, Cegid saw continued expansion with sales (excl. recurrent contracts) rising 23%, essentially in the Retail sector.

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Over all of 2012, consolidated sales totaled €258 million (down 2.2% from 2011 and down 2.6% at constant scope), reflecting a fourth quarter tainted by a further deterioration in the economic environment. Q4 sales totaled just under €73 million, down from €79 million in Q4 2011, with December down 13.6%, unadjusted for changes in scope, from a very buoyant final month of 2011.

Consolidated sales (€ M)		Q4	Full year	of which "SSRS and professional services"	of which "Hardware distribution and other "
CPAs, small companies	2012	28.9	100.2	82.0	18.2
	2011	31.3	101.3	82.7	18.6
Mid-market and groups	2012	18.5	65.9	64.4	1.5
	2011	21.1	72.5	70.6	1.9
Vertical markets	2012	20.5	73.2	63.6	9.6
	2011	19.8	67.3	58.9	8.4
Public sector	2012	4.2	15.6	15.6	0.0
	2011	6.1	20.0	19.6	0.4
Miscellaneous	2012	0.8	3.1	0.6	2.5
	2011	0.6	2.7	0.4	2.3
Total	2012	72.9	258.0	226.2	31.8
	2011	78.9	263.8	232.2	31.6

Estimated decline in EBITDA and income from ordinary activities

EBITDA for the year is expected to be down slightly compared with 2011 (€62.9 million). For 2012, estimated income from ordinary activities, which expresses the Group's operating performance, will reflect not only the impact of the sales trend, but also certain non-cash items (an increase of around €1 million in amortization of development costs and a provision of €3 million to cover identified risks, in particular regarding Cegid Public). The margin on ordinary activities should nevertheless be at least equal to 8% of consolidated sales.

Sound, secure financial structure

Net debt at December 31, 2012 should total around €69 million (€63.8 million at 12/31/2011), after the financing of acquisitions (€4.4 million). As such, Cegid will have generated enough cash to finance its capital expenditures, principally R&D.

Gearing should be in the region of 38% (35% at 12/31/2011 and 39% at 12/31/2010).

Cegid has ensured it will have the financing it needs for future development by implementing lines of credit totaling €200 million, confirmed for 3.5 years (maturity June 2016) and extendible to 4.5 years (maturity June 2017).

Outlook for Cegid: strategy in phase with the market and stronger positioning

The strategy developed by Cegid over the past few years, which has significantly augmented the recurrent nature of its sales, has given it the resilience and wherewithal to grow. These strengths should enable the Group to take advantage of any improvement in the economic environment:

- an installed base of more than 100,000 customers, including 25,000 connected small companies,
- an approach to strategy and growth based on specialization by industry (CPAs, non-profits, entrepreneurs, manufacturing, services, trade, retail, hospitality, public sector) and functional departments (finance, taxation, performance management, human resources),
- product / solution specialization depending on the size of the company (SME, large company or corporate group),
- leadership in SaaS-mode solutions, generating recurrent revenue and in phase with technological demands and the new ways people use software,
- international presence in retailing, and over time in manufacturing, which will be extended to high-potential countries (Brazil, United Arab Emirates, Russia).

Cegid's product innovation is right in line with market expectations, articulated around mobility, integrated business intelligence and SaaS-mode IT systems incorporating a cloud-based infrastructure. The Group now has a portfolio of SaaS contracts worth €50 million, up 56%, and its industry partnership with IBM, which will put a private cloud at its customers' fingertips, is gaining momentum. Cegid is clearly positioning itself as one of the leaders in this fast-growing market.

Full year 2012 earnings will be published on March 5, 2013 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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