

Full year 2012 results

Strong growth in SaaS/On Demand sales

Continued investment

Sound financial structure and dividend maintained at €1.05/share

SSRS sales: €166.2M (up 0.6%)

SaaS/On Demand sales: €26.9M (up 35.1%)

Total sales of €258.1M (down 2.2%)

EBITDA: €61.4M (down 2.4%)

Income from ordinary activities: €22.7M (down 21.8%)

Net cash from operating activities: €47.9M (down 12.3%)

Unadjusted scope	2012 (€M)	2011 (€M)
Sales*	258.1	263.8
EBITDA	61.4	62.9
Income from ordinary activities	22.7	29.1
Operating income	22.8	28.2
Net financial expense	-2.1	-1.8
Pre-tax income	20.7	26.4
Net income attributable to parent company shareholders	12.6	16.2
Net cash from operating activities	47.9	54.6

* Net effect of changes in the scope of consolidation over the full year: €1.0M

Revenue from the non-strategic "Hardware distribution and other" business was €31.7 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.

Results

2012 EBITDA was €61.4 million, down slightly from 2011 (€62.9 million). It reflected income of €0.4 million related to the research tax credit (€0.2 million in 2011) and a €0.2 million expense related to bonus share plans income.

Income from ordinary activities totaled €22.7 million, vs. €29.1 million in 2011. It reflected non-cash items, which included an increase in amortization of development costs and of identified assets from business combinations as well as other intangibles of €1.2 million, and an increase in provisions to cover identified risks totaling €3.5 million, related in particular to the public sector business. The margin on consolidated income from ordinary activities stood at 8.8% of consolidated sales (11.0% in 2011) and at 8.9% before the impact of IFRS 2 restatement related to bonus share plans.

Operating income totaled €22.8 million, vs. €28.2 million in 2011.

Net financial expense, made up of expenses related to drawdowns under the syndicated lines of credit (€1.2 million) and financial provisions and IFRS restatement costs (€0.9 million), totaled €2.1 million in 2012, vs. €1.8 million in 2011.

Income tax totaled €6.9 million, vs. €9.9 million in 2011.

Net income, after taking into account the above-mentioned items, totaled €12.6 million (€16.2 million in 2011).

Sound financial structure: reasonable levels of net debt and gearing

The monthly breakeven point of sales, net of non-cash items, declined to €18.8 million (€19.1 million in 2011), leading to healthy cash flow over the year. In addition, working capital requirements were held in check, leading to net debt at December 31, 2012 of €68.7 million after the financing of acquisitions (€4.3 million). Excluding these acquisitions, net debt at December 31, 2012 was comparable to the year-earlier level of €63.8 million. As such, Cegid was once again able to finance its capital expenditure from internal sources in 2012, made up primarily of investments in research and development.

Gearing stood at 38%, vs. 35% at December 31, 2011. As of December 31, 2012, Cegid was in compliance with the covenants in its bank credit agreements by a comfortable margin.

Strong growth in SaaS/On Demand: up 35.1%

Recurrent sales: 54% of total sales

The trend in Cegid's sales reflected its evolving business model, now increasingly oriented towards recurrent revenue based on SaaS and On Demand contracts. This business generated €26.9 million in revenue, up 35.1% over the previous year, after rising 22.3% in 2011. It gained momentum during the year, principally with accounting firms and their small-company clients.

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

Recurrent sales (€138.5 million), which included revenue under software, hardware and SaaS maintenance contracts, rose 5.3% or nearly €7 million, and represented 54% of total sales, an increase of more than four percentage points.

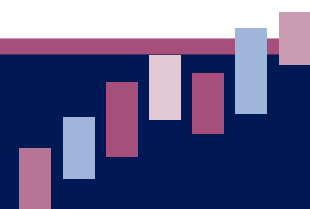
Deterioration in the economic context, combined with accelerating sales of SaaS solutions, led to a 15.6% decline in "Licenses" sales (€32.9 million) compared with 2011.

Revenue from strategic "Software and software-related services (SSRS)" was €166.2 million, or 64% of total sales, up slightly (0.6%) from 2011 and stable at constant scope, despite the impact of unfavorable trends in the public sector and manufacturing businesses. Revenue from "SSRS and professional services" retreated by 2.5% (down 3.1% at constant scope), with services down 10.2%. This decline was linked to items that made a particularly strong contribution in 2011 (N4DS), and to Cegid's decision to outsource certain integration services to partners, principally on HR applications.

Financial communication Cegid Group

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ISIN share code: FR0000124703
Reuters: CEGI.PA
Bloomberg: CGD FP
ICB: 9537 Software
Indices: Small, Mid and Small, ITCAC and All-Tradable



Proposed dividend: €1.05 per share

The Board of Directors will recommend a dividend on 2012 earnings of €1.05 per share (€1.05/share on 2011 earnings) to shareholders at their Annual Meeting. Based on the number of shares in circulation on March 1, 2013, less shares held in treasury, the total amount of dividends paid would be approximately €9.2 million.

The yield on Cegid Group shares would then be 6.7%, based on the share price on March 1, 2013.

After approval by shareholders at their Annual Meeting on May 17, 2013 at 11 AM at the head office of Cegid Group, 52 quai Paul Sédallian, 69009 Lyon (France), the dividend will be paid on May 24, 2013.

Strategy and outlook

Continued strategic investments largely oriented towards SaaS/On Demand-based solutions

Leveraging market trends and the success of its SaaS solutions, the Group brought several strategic initiatives to fruition. Specifically, Cegid:

- acquired TDA International, a provider of solutions developed in full-web mode for the accounting profession and its SME customers;
- signed a strategic partnership with IBM France to create the first private cloud located and managed in France and serving growing public- and private-sector companies, nonprofits and other organizations.
- launched new services as part of its collaborative CPA-client solutions. These include Cegid Connect (Cwe), which enables CPAs to develop new outsourcing assignments, communications platforms and collaborative work, and new "iBusiness" functionality for the iPhone and iPad as part of the Quadra Web Services (QWS) solutions.
- launched Yourcegid Etagi in SaaS mode. In addition to its mobility, BI and collaborative functions, this new generation of tax return and financial statement production tools includes a new module dedicated to VAT consolidation.
- integrated mobility solutions for smartphones (absence requests, contact lists, training invitations), paperless employee file and payslip solutions and business intelligence solutions into its HR/payroll range.
- developed two new Retail solutions in SaaS mode, one dedicated to networks of 1-5 stores and the other for the US market, with a new US-based SaaS platform to complement coordination, sales channel, omnichannel and mobility functions.
- created a new, online working environment for town halls with Yourcegid Public Sector channel. A single portal now houses all functions specific to the needs of these small municipalities in the areas of HR/payroll & finance, citizen services and customer invoices.

With a portfolio of SaaS contracts worth €50 million, up 56%, and a strategic partnership with IBM that is gaining momentum, Cegid intends to pursue its efforts to develop innovative solutions that cater to the new ways in which people use software, under the name of "MOBICLO". MOBICLO will combine MObility (e.g. Yourcegid Retail Mobile, a new mobile solution for specialized retailers), Business Intelligence (with Yourcegid Intelligence, in partnership with QlikTech's QlikView solution) and the CLOud.

The full year 2012 financial statements were approved by the Board of Directors on March 5, 2013.

The Statutory Auditors have performed their audit and are preparing their reports to certify the financial statements.

The information meeting slideshow of March 6, 2013 will be available at the following address: <http://www.cegid.com/slideshow>

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Outlook: Cegid's strengths and initiatives will enable it to adapt to the economic environment

The strategy Cegid has developed over the past few years, characterized by high value-added investments and SSRS sales of a more recurrent nature, has enabled Cegid to better adapt to the very unfavorable economic conditions. The Group's strengths will enable it to respond favorably when the economy improves:

- an approach based on specialization by industry (CPAs, nonprofits, entrepreneurs, manufacturing, services, trade, retail, hospitality, public sector) and function (finance, taxation, performance management, human resources). As a result, Cegid's sales are highly diversified among these areas of expertise and depending on the business, over companies of all sizes (SMEs, large companies and corporate groups).
- status as a major provider in the fast-growing SaaS/On Demand market. Cegid's contracts to provide these solutions will generate future revenue, thereby strengthening the recurrent nature of sales.
- increasing presence in cloud computing through strategic partnerships such as with IBM France, under which Cegid will offer a private cloud based on the Infrastructure-as-a-Service (IaaS) model, Orange Business Services (Yourcegid On Demand) and Microsoft.
- international presence in retailing that is gradually being extended to high-potential countries (Brazil, United Arab Emirates, Russia) and to the manufacturing sector.
- an installed base of more than 100,000 customers, including 25,000 connected small companies, that gives Cegid high recurrent revenue (54% of 2012 sales),
- initiatives to support Cegid's transformation, oriented around pooling skills and rationalizing our ranges of products and services.

Calendar

First quarter 2013 sales will be published on April 11, 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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