

First quarter 2013 sales

Cegid: SaaS-driven growth

SaaS sales: up **49%**

SSRS sales: up **6.3%**

Consolidated sales: **€65.0M** (vs. €64.8M in Q1 2012)



SaaS revenue continued to grow, rising 49% Recurrent revenue: 56% of total sales

Q1 consolidated sales (€M)	2013	2012	Chg.	% Chg.
SaaS	8.6	5.7	2.8	49.3%
Licenses	7.4	7.6	-0.2	-2.6%
Maintenance	25.1	25.2	-0.1	-0.3%
Other	1.0	1.1	-0.1	-6.9%
Total Software and software-related services (SSRS)	42.1	39.6	2.5	6.3%
Professional services	15.8	17.0	-1.2	-7.0%
Total SSRS and professional services	57.9	56.6	1.3	2.3%
Hardware distribution and other	7.1	8.2	-1.1	-13.6%
Total*	65.0	64.8	0.2	0.3%
of which recurrent	36.1	33.6	2.5	7.3%

* of which changes in scope as of March 31, 2013: €0.6 million.

First quarter 2013 sales confirmed Cegid's shift toward a new business model with an increasingly recurrent revenue stream, as already observed in 2012. At €8.6 million, SaaS revenue continued to post strong growth, rising 49%, or 17 percentage points more than it did in Q1 2012.

Recurrent sales (€36.1 million), which also include revenue under software and hardware maintenance contracts, rose more than 7% from Q1 2012 and represented 56% of total sales, an increase of more than four percentage points compared with FY 2012.

At the same time, license revenue of €7.4 million was comparable to that of Q1 2012 (€7.6 million), despite an economic context unfavorable to corporate investment.

Revenue from the strategic "Software and software-related services (SSRS)" business was €42 million, or 65% of total sales, up 6.3% from Q1 2012 (up 5.0% at constant scope).

Revenue from "SSRS and professional services" of €57.9 million advanced by 2.3% (up 1.3% at constant scope), with services down 7% from Q1 2012. This decline reflected in part Cegid's strategic shift toward stronger partnerships with integrators who handle the deployment of Cegid's solutions.

Revenue from the non-strategic, lower-margin "Hardware distribution and other" business was €7.1 million, or 11% of total sales, down nearly 14% from Q1 2012.

Overall, Q1 2013 sales totaled €65.0 million, slightly ahead of the Q1 2012 figure of €64.8 million, with an increased proportion of recurrent revenue.

Internationally, Cegid saw continued expansion, with sales (excl. recurrent contracts) rising 12%, essentially in the Retail sector.

Consolidated sales (€M) Unadjusted scope*	Q1	of which SSRS and professional services	of which Hardware distribution and other	
CPAs, small companies	2013 2012	25.1 25.7	21.4 20.8	3.7 4.9
Mid-market and groups	2013 2012	16.6 17.1	16.2 16.7	0.4 0.4
Vertical markets	2013 2012	18.6 17.1	16.2 14.6	2.4 2.4
Public sector	2013 2012	3.9 4.1	3.9 4.1	0.0 0.0
Miscellaneous	2013 2012	0.8 0.8	0.2 0.3	0.6 0.5
Total	2013 2012	65.0 64.8	57.9 56.6	7.1 8.2

* Changes in the scope of consolidation take into account any alterations in the operational organization.

Further improvement in gross margin and substantial decline in monthly breakeven point

The gross margin, which reflects a favorable mix and a decline in purchased services, widened again and should come in at more than 88% of sales (vs. 86.1% in Q1 2012).

In Q1 2013, not only did the gross margin widen, but operating expenses were tightly controlled and Cegid Public's cost structure was significantly improved. This led to an average monthly breakeven point that should be down sharply from that of Q1 2012 to around €19.3 million (€20.1 million in Q1 2012).

This positive trend should lead to an increase in operating cash flow compared with Q1 2012 and to an improvement in net financial debt of around €7 million compared with December 31, 2012. Cegid reiterates that its medium-term financing, provided by two syndicated lines of credit totaling €200 million, ensures it the financial resources it needs to grow.

Shareholders' Meeting and dividend

The Shareholders' Meeting will take place on May 17, 2013 at 11 AM at the head office of Cegid Group, 52 quai Paul Sédallian, 69009 Lyon (France). Subject to approval by shareholders, the proposed dividend (€1.05 per share) will be paid on May 24, 2013, with the ex-dividend date set at May 21, 2013.

Calendar

Second-quarter sales and first-half 2013 earnings will be announced on July 17, 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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