

FIRST HALF 2013

SALES AND RESULTS



Income from ordinary activities: up 111% (€12.6M)

Net cash from operating activities: up 45% (€28.7M)

Strong growth in SaaS/On Demand: up 48%
Recurrent revenue: 57% of total sales

Consolidated sales, unadjusted scope*	H1 2013	H1 2012	Change	
	€M	€M	€M	%
SaaS	18.1	12.2	5.9	+47.9%
Licenses	15.9	14.5	1.4	+9.7%
Maintenance	50.5	50.5	NS	NS
Other	2.2	2.2	NS	NS
Total Software and software-related services (SSRS)	86.7	79.4	7.3	+9.1%
Professional services	28.8	30.2	-1.4	-4.6%
Total SSRS and professional services	115.5	109.6	5.9	+5.4%
Hardware distribution and other	13.2	15.7	-2.5	-15.5%
TOTAL	128.7	125.3	3.4	+2.8%
of which recurrent	73.5	68.2	5.3	+7.8%

** Changes in scope: Cegid Portugal and TDA International (€1.1M)

First half 2013 consolidated sales amounted to €128.7 million, up 2.8% from H1 2012 (€125.3 million), unadjusted for changes in scope, and up nearly 2% at constant scope.

Second quarter sales of €63.7 million (up 5.4% unadjusted and 4.5% at constant scope), saw a further increase in software and software-related services (SSRS) after the rise already observed in Q1. SSRS revenue rose 11.6% in Q2 and 9.1% over all of H1, and continued to be driven by very strong growth in SaaS revenue (up 46.6% in Q2 and 47.9% over all of H1).

As of June 30, 2013, future contract revenues from SaaS & portals—i.e. the revenues remaining to be recognized before 2018—represented an estimated value of more than €54 million. This total was up 46% from June 30, 2012 (€37.1 million) and included more than €13 million from new contracts, at the same time that revenue recognized in H1 2013 posted strong growth.

This rapid growth in SaaS sales is validating Cegid's strategy of offering industry-specific solutions in SaaS mode. These solutions address corporate needs and enable companies to combine performance across user platforms with moderation in IT investment.

License revenue also posted robust growth (up 23.4% in Q2 and 9.7% over all of H1), boosted by invoicing on large contracts, in particular in the Retail sector. This contrasted with H1 2012, which included a lackluster second quarter, in particular in June.

SSRS revenue totaled €86.7 million in H1 2013, up 9.1% over H1 2012. This amount included software maintenance activities, which were stable in the context of strong growth in SaaS solutions.

H1 2013 revenue from professional services of €28.8 million, declined 4.6%, in line with Cegid's strategy to transfer part of its software deployment services to outside partners.

Revenue from hardware distribution and other services totaled €13.2 million and represented 10% of total H1 2013 sales, down two percentage points from H1 2012. This trend is in line with the shift in Cegid's activities toward higher value-added businesses.

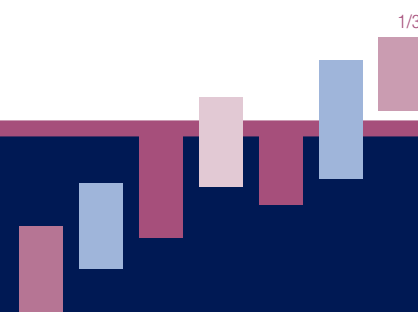
Revenue from recurrent contracts of €73.5 million was up 7.8% compared with H1 2012 and represented 57% of total H1 sales (54% of H1 2012 sales).

Internationally, Cegid saw continued expansion with sales rising 26%, essentially in the Retail sector.

Consolidated sales (€ M) unadjusted scope*	Q2	H1 total	of which "SSRS and professional services"	of which "Hardware distribution and other"	
					2013
CPAs, small companies	2013	22.9	48.0	41.1	6.9
	2012	22.1	47.8	39.1	8.7
Vertical markets	2013	19.4	38.0	33.7	4.3
	2012	18.9	35.9	30.9	5.1
Middle market and groups	2013	16.7	33.3	32.4	0.9
	2012	15.4	32.5	31.8	0.7
Public sector	2013	4.3	8.2	8.2	0.0
	2012	3.4	7.5	7.5	0.0
Miscellaneous	2013	0.4	1.2	0.1	1.1
	2012	0.7	1.5	0.3	1.2
Total	2013	63.7	128.7	115.5	13.2
	2012	60.5	125.3	109.6	15.7

* The changes in the scope of consolidation reflect changes in the operational organization, principally the impact in H1 2013 of TDA International, consolidated since August 1, 2012.

July 17, 2013



Income from ordinary activities doubled: €12.6 million (€6.0 million in H1 2012)

in €M	H1 2013	H1 2012	Change
Sales	128.7	125.3	+2.8%
Gross profit	113.8	108.1	+5.3%
EBITDA	33.3	25.7	+29.3%
Income from ordinary activities	12.6	6.0	+111.1%
Operating income	12.4	6.0	+107.7%
Net financial expense	-0.8	-1.5	+44.6%
Pre-tax income	11.6	4.5	+157.0%
Income tax	-4.1	-1.7	+144.6%
Net income (Group share)	7.3	2.5	+188.1%
Net cash from operating activities	28.7	19.7	+45.5%

Gross profit amounted to €113.8 million, and gross margin stood at 88.4% of sales, widening by more than two points compared with the year-earlier period (86.3%). This margin, together with a tight grip on operating expenses, led to a significant, €0.6 million reduction in the average monthly breakeven point to €19.1 million in H1 2013 (€19.7 million in H1 2012).

After taking into account amortization of capitalized development costs, depreciation of assets identified during business combinations (up €1.2 million compared with H1 2012), strategic international investments (Brazil, United Arab Emirates and Russia) and IT system and new customer portal investments, income from ordinary activities totaled €12.6 million in H1 2013 (€6.0 million in H1 2012).

Net financial expense was €0.8 million (€1.5 million in H1 2012), as lower debt than in H1 2012 generated lower interest expense, while interest rates remained at historic lows.

Corporate income tax expense amounted to €4.1 million (€1.7 million in H1 2012), and the share of income from equity-accounted companies totaled €-0.1 million (€-0.3 million in H1 2012). As a result, consolidated net income for H1 2013 totaled €7.3 million (€2.5 million in H1 2012).

Strong growth net cash from operating activities: €28.7 million (€19.7 million in H1 2012)

Net cash from operating activities totaled €28.7 million (€19.7 million in H1 2012). Net debt declined significantly to €66.5 million at June 30, 2013 from €74 million a year earlier, reducing gearing, the ratio of net debt to consolidated shareholders' equity (€180.1 million), to 36.9% (42.8% at June 30, 2012 and 37.8% at December 31, 2012). As of July 1, 2013, Cegid had a syndicated line of credit totaling €200 million, of which €132 million was available as of June 30, 2013. Between 2014 and 2017, this line will reduce annually on June 30. It provides Cegid with a significant drawdown capacity for future years, which it can use to finance its investment needs, in particular acquisitions.

“MOBICLO™” embodies Cegid’s innovation connected with MObility, Business Intelligence and the CLOud

Cegid continued to pursue its strategy of innovation, with new functions that integrate the MOBICLO™ concept into its principal product ranges.

Yourcegid Finance

The new Yourcegid Finance Intelligence provides finance departments with customized and interactive financial indicators. Intuitive, pre-configured and user-friendly, it identifies new opportunities and improves the performance of their companies.

Yourcegid Manufacturing

The Yourcegid Manufacturing solutions dedicated to manufacturing companies are now available in SaaS mode and include a management module, Yourcegid Manufacturing Intelligence, which makes decision-support tools available to all mid-sized companies.

Yourcegid Human Resources

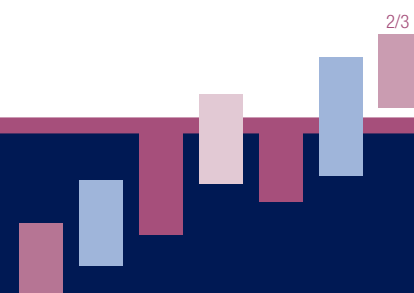
The Human Resources range has a SaaS-mode, talent management solution, Yourcegid Talent, intended for both private-sector companies and local authorities. Yourcegid Talent is a SaaS-based human resources assessment and management tool addressing the needs of both public and private entities.

Yourcegid HR Pack On Demand

Cegid now offers a SaaS-based HR/payroll management solution for companies with less than 500 employees, a first in France on this market segment.

Yourcegid HR Pack On Demand, a complete and particularly innovative HR/payroll application, accommodates the new ways SMEs use HR/payroll software, at the crossroads between mobility, BI and the cloud (MOBICLO™). Yourcegid HR Pack On Demand handles employees on the move, remote company management, paperless payslips, etc.

This solution also responds to the growing challenges of competitiveness, cost reduction and human resources management. These areas in general—and payroll in particular, where legislation is constantly changing—are crucial to the economic life of an SME.



Yourcegid Public Sector

The public sector is stepping up implementation of SaaS solutions. Cegid Public's solutions are now available in SaaS mode, responding to the increasing need of organizations to rethink their information systems and make them easier for agents to integrate and use. They must foster e-administration, interdepartmental contact, paperless processes, mobile software use and employee evaluation. And more generally, they must respond to the need for rigor and efficiency as defined in the reform of local authorities and public institutions undertaken by the French government.

The SaaS solutions, Yourcegid Public Sector Channel On Demand and Yourcegid Public Sector Human Resources On Demand, are modular by design, so that public sector organizations can use them as stand-alone solutions or in combination with one another.

By creating the Cegid Foundation, Cegid demonstrates it is a full partner to the community

Sensitive to trends in its ecosystem, Cegid has decided to create a Cegid Foundation, which is set to be operational before the end of 2013. The Foundation will combine all of Cegid's initiatives in the following four areas: Education, Integration (Job dans la ville, Sport dans la ville, etc.), Healthcare (Léon Bérard Center, Petit Monde, Hôpital Mère-Enfant) and Digital entrepreneurship.

In particular, the Foundation will use its funding to help finance and support technology start-ups in the Rhône-Alpes region and in the regional ecosystem. Cegid employees will be able to get involved and support these start-ups. In this way, Cegid also hopes to develop innovative, entrepreneurial ideas within the Group. Through this initiative Cegid will bring to bear the following corporate values:

- entrepreneurial, team spirit,
- customer-centric, technological innovation that integrates the new ways people use software,
- regional origins,
- a human resources department that embraces change and is a source of progress.

Outlook

The innovation strategy Cegid has developed over the past few years—high value-added investments and more recurrent, SaaS-driven SSRS revenue—has enabled it to better adapt to a difficult economic environment so that it can reap the benefits when the economy improves thanks to its:

- status as a major provider in the fast-growing SaaS/On Demand market. The future revenue that Cegid's contracts will generate in this area has grown significantly (€50 million as of June 30, 2013), thereby strengthening the recurrent nature of sales;
- increasing presence in cloud computing through strategic partnerships such as with IBM France (Cegid private cloud);
- innovation to accommodate new trends in software use through the "MOBICLO™" approach, bringing together Mobility, Business Intelligence (with Yourcegid Intelligence, in partnership with QlikTech's QlikView solution) and the Cloud;
- installed base of more than 100,000 customers, including 32,000 small internet-connected companies, giving Cegid high recurrent revenue (57% of H1 2013 sales);
- 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).
- international expansion in Retail that is gradually being extended to high-potential countries (Brazil, United Arab Emirates, Russia) and to Manufacturing;
- progressive implementation of action plans designed to support the transformation process based on sharing skills and rationalizing product and service ranges, together with Cegid Public's return to profitability, the effects of which were already visible in H1 2013.

With more recurrent business and a lower average monthly breakeven point, H1 2013 provided confirmation of Cegid's strategy, leading to a very favorable trend in earnings (doubling of income from ordinary activities). While this trend cannot be extrapolated over the full year, it should ensure an increase in income from ordinary activities over all of 2013 compared with 2012.

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