

FULL YEAR 2013



Continued growth in SaaS/On Demand sales Significant increase expected in operating results

SaaS/On Demand sales: €38M (up 41.5%)
SSRS sales: €177.9M (up 7%)
Recurrent revenue: €148.6M (57% of total sales)
Total sales: €259.7M (€258.1M in 2012)

SALES: Growth in Software and software-related services driven by SaaS/On Demand

Consolidated sales, unadjusted scope	2013	2012	Change	
	€M	€M	€M	%
SaaS/On Demand	38.0	26.9	11.1	+41.5%
Licenses	33.6	32.9	0.7	+1.9%
Maintenance	101.2	101.0	0.2	+0.2%
Other	5.1	5.4	-0.3	-5.6%
Total Software and software-related services (SSRS)	177.9	166.2	11.7	+7.0%*
Professional services	55.5	60.2	-4.7	-7.8%
Total SSRS and professional services	233.4	226.4	7.0	+3.1%
Hardware distribution and other	26.3	31.7	-5.4	-17.1%
TOTAL	259.7	258.1	1.6	+0.6%**
of which recurrent	148.6	138.5	10.1	+7.3%

* +6.4% at constant scope, excl. Cegid Portugal and TDA International (€1.1M)

** +0.2% at constant scope, excl. Cegid Portugal and TDA International (€1.2M)

Sharp growth in Q4 SSRS sales (up 10%) and significant advance over all of 2013 (up 7%)

Software and software-related services (SSRS) performed well and drove growth in sales in the fourth quarter, which were up nearly 10%. SaaS/On Demand sales alone were up nearly 38%, while license sales rose 12%. As a result, total sales in the fourth quarter of 2013 stood at nearly €74 million (€73 million in Q4 2012).

Over all of 2013, strategic SSRS sales (Licenses, SaaS, Maintenance) advanced by 7% at unadjusted scope (6.4% at constant scope), an excellent performance given the lack of visibility on corporate investment. At the same time that SaaS/On Demand activities were growing rapidly, Cegid's license sales were also resilient, as sales in this business (€33.6 million) rose from their previous-year level.

Continued strong SaaS/On Demand growth of 41.5%

Over all of 2013, sales of SaaS/On Demand and portal mode solutions (€38 million) rose 41.5% or six percentage points faster than in 2012 (up 35%). This trend was driven especially by the Accounting Profession and its small-company customers and has confirmed Cegid as a major player in SaaS/On Demand solutions.

SaaS and portal contract revenue invoiceable before 2018 represented an estimated value of nearly €66 million as of January 1, 2014 (€52.4 million, €36.9 million and €24.6 million as of January 1, 2013, 2012, 2011 respectively). This figure has seen an annual weighted average increase of nearly 39% over three years.

Recurrent revenue of €148.6 million, including maintenance (software and hardware) and SaaS contracts, rose €10.1 million, or 7.3%, and represented 57% of total sales, an increase of nearly three percentage points.

Continued rapid growth in international sales (up 13%)

Internationally, Cegid saw continued expansion, essentially in the Retail sector, with sales rising more than 13% to €16.6 million. The constant growth in Cegid's sales volumes reflects the quality and flexibility of the Group's products and services, which are a perfect fit for customers with a presence outside their home country.

Total sales impacted by 17% decline in non-strategic distribution business

Revenue from "SSRS and professional services" of €233.4 million advanced by 3.1% (up 2.6% at constant scope). This figure reflected the changing product mix, Cegid's decision to outsource certain integration services to partners (principally on HR applications), and the level of training already acquired by customers that subscribe to SaaS/On Demand services.

Revenue from the non-strategic "Hardware distribution and other" of €26.3 million, or 10% of total sales, was down 17% from 2012 (€31.7 million). This reduction was in line with the strategy the Group has been pursuing for the past several years to focus on SSRS and in particular on SaaS/On Demand.

Financial communication Cegid Group

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Consolidated sales (€ M) Unadjusted scope		Q4	Full year	of which "SSRS and professional services"	of which "Hardware distribution and other"
CPAs, small companies	2013	29.2	100.0	85.2	14.8
	2012	28.9	100.2	82.1	18.1
Mid-market and groups	2013	19.0	67.0	65.5	1.5
	2012	18.5	66.0	64.4	1.6
Vertical markets	2013	19.7	73.3	65.2	8.1
	2012	20.6	73.3	63.7	9.6
Public sector	2013	5.2	16.8	16.8	0.0
	2012	4.2	15.6	15.6	0.0
Miscellaneous	2013	0.8	2.6	0.7	1.9
	2012	0.8	3.0	0.6	2.4
Total	2013	73.9	259.7	233.4	26.3
	2012	73.0	258.1	226.4	31.7

RESULTS and FINANCIAL STRUCTURE: Strong growth expected in operating results

Strong growth expected in income from ordinary activities and related margin

Over all of 2013, income from ordinary activities, which expresses the Group's operating performance, should see a sharp rise compared with the previous year (€22.7 million). In 2012, estimated income from ordinary activities reflected not only the impact of the sales trend, but also certain non-cash items totaling €4 million. The margin on ordinary activities should be at least equal to 11.5% of consolidated sales (8.8% in 2012).

EBITDA for the year is expected to be up compared with 2012 (€61.4 million). It should represent at least 26% of consolidated sales (23.8% in 2012).

Improved financial structure

Increased cash flow and less onerous working capital requirements should lead to a reduction in net financial debt of more than €13 million over the full year. At year end, net financial debt should be around €55 million (€68.7 million at December 31, 2012). Gearing should improve significantly again, subsiding to nearly 30% (38% at 12/31/2012 and 35% at 12/31/2011).

As of year end, Cegid also had a syndicated line of credit totaling €200 million, of which €140 million was available. This line provides Cegid with a significant drawdown capacity, which it can use to finance its investment needs, in particular acquisitions. Between 2014 and 2017, it will reduce annually on June 30.

Cegid, a LEADER in DIGITAL technology for B2B and strategy in line with market expectations

Businesses are now demanding Mobility, Business Analytics, Collaborative modes and Cloud services from their service providers. Cegid's product line and its strategy over the past several years fit perfectly with this trend and aim to support companies as they transform themselves and become more competitive:

- innovation to accommodate new trends in software use through the "MOBICLO™" approach, bringing together Mobility, Business Intelligence and the Cloud (Cegid-IBM France private cloud);
- status as a major provider in the SaaS market, with future contract revenue of nearly €66 million, thereby strengthening the recurrent nature of Cegid's sales;
- an approach based on function (accounting/finance, taxation, payroll/HR, performance management, business management) for all companies, and on industry specialization (CPAs, entrepreneurs, manufacturing, trade & services, retail, hospitality, public sector);
- international development, essentially in the Retail sector, gradually extending to Manufacturing.

These strengths should enable Cegid to pursue its growth, despite a complex economic environment in France. Cegid's 112,000 customers, including 35,000 connected small companies, give it high recurrent revenue of nearly €149 million, and the Group will pursue its plans to improve overall effectiveness by speeding up its transformation through business development, sharing of skills and rationalization of product and service ranges.

Appointment of a new Board Member

The Board of Directors of the Cegid Group, during its January 23, 2014 meeting, co-opted as a new Board member Ms. Elisabeth Thion, the General Manager of the Thion/Arvix company and President of Nouveaux Textiles in Thizy.

Full year 2013 earnings will be published on Wednesday March 5, 2014 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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