

FULL-YEAR 2013 RESULTS

STRONG GROWTH IN EARNINGS AND CONFIRMATION OF STRATEGY

SaaS/On Demand sales up 42%
SSRS sales up 7%
Income from ordinary activities up 37%

Net income up 49%
Net cash from operating activities up 31%
at €62.8M

Unadjusted scope	2013 (€M)	2012 (€M)	Chg. in %
Software & software-related services (SSRS)	178.0	166.2	+7.1%
of which SaaS	38.0	26.9	+41.6%
Total sales*	259.9	258.1	+0.7%
EBITDA	69.1	61.4	+12.5%
Income from ordinary activities	31.1	22.7	+37.0%
Operating income	31.0	22.8	+36.1%
Net financial expense	-2.2	-2.1	-6.4%
Pre-tax income	28.8	20.7	+39.1%
Net income (Group share)	18.8	12.6	+48.9%
Net cash from operating activities	62.8	47.9	+31.1%

*Net effect of changes in the scope of consolidation over the full year: €1.2 million

Business activity

Continued strong SaaS/On Demand growth of 42% - Recurrent revenue: 57% of total sales

Over all of 2013, sales of SaaS/On Demand and portal mode solutions (€38 million) rose 41.6% or nearly seven percentage points faster than in 2012 (up 35%). This trend was driven especially by the Accounting Profession and their 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 a compound annual growth rate 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 more than three percentage points.

Software & software-related services up significantly (7%)

Over all of 2013, strategic SSRS sales (Licenses, SaaS/On Demand, Software Maintenance) advanced 7.1% at unadjusted scope (6.5% 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 (€33.7 million) rose from their previous-year level.

Total sales impacted by decline in non-strategic distribution business

Revenue from "SSRS and professional services" of €233.6 million advanced by 3.2% (up 2.7% at constant scope). This figure reflected a decline in services revenue owing to changes in the product mix, Cegid's decision several years ago to outsource certain integration services to partners, principally on HR applications, and the skill level that customers subscribing to SaaS/On Demand services already have.

Revenue from the non-strategic "Hardware distribution and other" business was €26.3 million, or 10% of total sales, down sharply (17.1%) from that of 2012 (€31.7 million).

International business development

Internationally, Cegid saw continued expansion, essentially in the Retail sector, with sales rising more than 13% to €16.6 million. In 2013, Cegid stepped up its international presence by opening an office in Dubai (Cegid Middle East) and a new subsidiary in São Paulo (Cegid Licenciamento de Software). In early 2014, the Group opened a subsidiary in Moscow (Cegid Software Vostok).

Strong growth in earnings

EBITDA was €69.1 million in 2013, or 26.6% of consolidated sales, up sharply from the 2012 figure of €61.4 million, or 23.8% of sales.

Income from ordinary activities was €31.1 million, up 37% from €22.7 million in 2012, reflecting certain non-cash items and revenue related to tax credits. The margin on consolidated income from ordinary activities stood at 12% of consolidated sales (8.8% in 2012) and at 12.3% before the impact of IFRS 2 on instruments giving access to the capital (8.9% in 2012).

Operating income totaled €31.0 million, vs. €22.8 million in 2012.

Net financial expense, made up of expenses related to drawdowns under the syndicated lines of credit (€1.2 million), financial provisions and IFRS restatement costs (€1.3 million), totaled €2.2 million in 2013, vs. €2.1 million in 2012.

Income tax totaled €9.8 million, vs. €6.9 million in 2012.

Net income, after taking into account the above-mentioned items, totaled €18.8 million, up nearly 50% (€12.6 million in 2012).

Sharp increase in net cash from operating activities and strengthened financial structure

The monthly breakeven point of sales declined to €18.7 million from €19.3 million in 2012, leading to a sharp increase in cash flow over the year to €68.3 million, vs. €57.5 million in 2012. At the same time, working capital requirements were held in check and capital expenditures, composed mainly of development costs, were maintained. The combined result was a €14 million decline in net debt at December 31, 2013 to €54.7 million. Gearing improved

Financial communication Cegid Group

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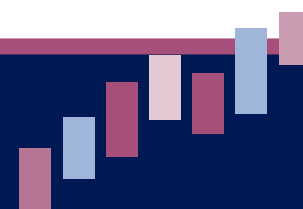
Reuters: CEGI.PA

Bloomberg: CGD FP

ICB: 9537 Software

Indices: CAC All Shares - CAC All-Tradable - CAC Mid & Small - CAC Small -

CAC Soft. & C.S. - CAC Technology - Next 150



from 38% as of December 31, 2012 to 28% as of December 31, 2013. As of year-end 2013, Cegid was in compliance with the covenants in its bank credit agreements by a comfortable margin.

Cegid has a €200 million syndicated line of credit, of which €140 million was available as of December 31, 2013. This line provides Cegid with a significant drawdown capacity for future years, which it can use to finance its investment needs, in particular acquisitions that could enable Cegid to offer new products and step up its expansion.

Proposed dividend (€1.10 per share)

The Board of Directors will recommend a dividend on 2013 earnings of €1.10 per share (€1.05/share on 2012 earnings) to shareholders at their annual meeting. Based on the number of outstanding shares on March 3, 2014, less shares held in treasury, the total amount of dividends paid would be approximately €9.6 million.

The yield on Cegid Group shares would then be 3.5%, based on the share price on March 3, 2014.

Subject to approval by shareholders at their annual meeting on May 12, 2014 at 11 AM at the head office of Cegid Group, 52 quai Paul Sédallian, 69009 Lyon, the dividend would be paid on May 19, 2014.

Strategy and outlook

Cegid is a leader in digital technology for B2B and its strategy is in line with market expectations

Cegid is pursuing its SaaS strategy, with product ranges catering to the new ways customers use software, by:

- developing the opportunities for collaboration in the solutions for the accounting profession and its small-company customers and launching new TDA advisory products,
- contributing to the overall effort to simplify companies' HR filing requirements with the new nominative employee filing system,
- launching new SaaS-mode product ranges: HR (talent management, a packaged SME product, CBHR On Demand, HR internal auditing, and mobility), Manufacturing solutions, new SaaS-mode tax solutions (Yourcegid Etafi Start) and a new work environment for small local authorities in the public sector channel.

Cegid's strategic agreement with IBM, signed in 2012, created the first French private cloud. The agreement has enabled Cegid to handle the sharp growth in the number of SaaS-mode users, which now total 95,000 customers, 20,000 more than two years ago. In 2013, Cegid welcomed its 1,100th CPA customer to a SaaS / On Demand solution.

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

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 and moving toward industries that can take advantage of cloud services (accounting profession, public sector, retail, etc.),
- 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,
- a high-quality customer portfolio fostering growth and a new customer relationship model,
- broad functional coverage (accounting/finance, taxation, payroll/HR, performance management, business management) for companies of all sizes, and industry specialization (CPAs, entrepreneurs, manufacturing, trade & services, retail, hospitality, public sector),
- international development, essentially in the retail sector, gradually extending to manufacturing.

Cegid is thus well-positioned to take advantage of improvement in France's economic environment, which remains complex. Firstly, Cegid's 112,000 customers, including 35,000 connected small companies, give it high recurrent revenue of nearly €149 million; secondly, Cegid will pursue its plans to increase internal efficiency. These efforts will focus on improving the productivity of business development, sharing skills and production sites, and rationalizing product and service ranges.

Calendar

First quarter 2014 sales will be published on April 10, 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>

The full year 2013 financial statements were approved by the Board of Directors on March 5, 2014. The Statutory Auditors have performed their audit and are preparing their reports to certify the financial statements.

The information meeting slideshow of March 6, 2014 will be available at the following address: <http://www.cegid.com/slideshow>

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