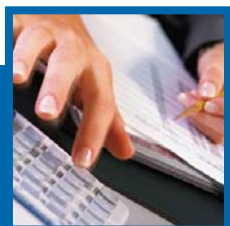


# The Combined Annual General Meeting of november 16, 2004



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*The Combined Annual General Meeting of november 26, 2004*



1

# Creation of a Leading Group

2

*Details of the transaction*

3

*Key Facts - 2004*

4

*An Offensive Strategy*





# *Creation of the leading French business software publisher*

€ 130 million - 1400 employees – 67,000 customers

€ 90 million - 800 employees – 20,000 customers

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PROGICIELS de gestion  
SOLUTIONS informatiques



**Ccm<sup>x</sup>**

Leading French business software publisher

€ 220 million - 2,200 employees – more than 80 000 customers

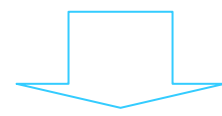
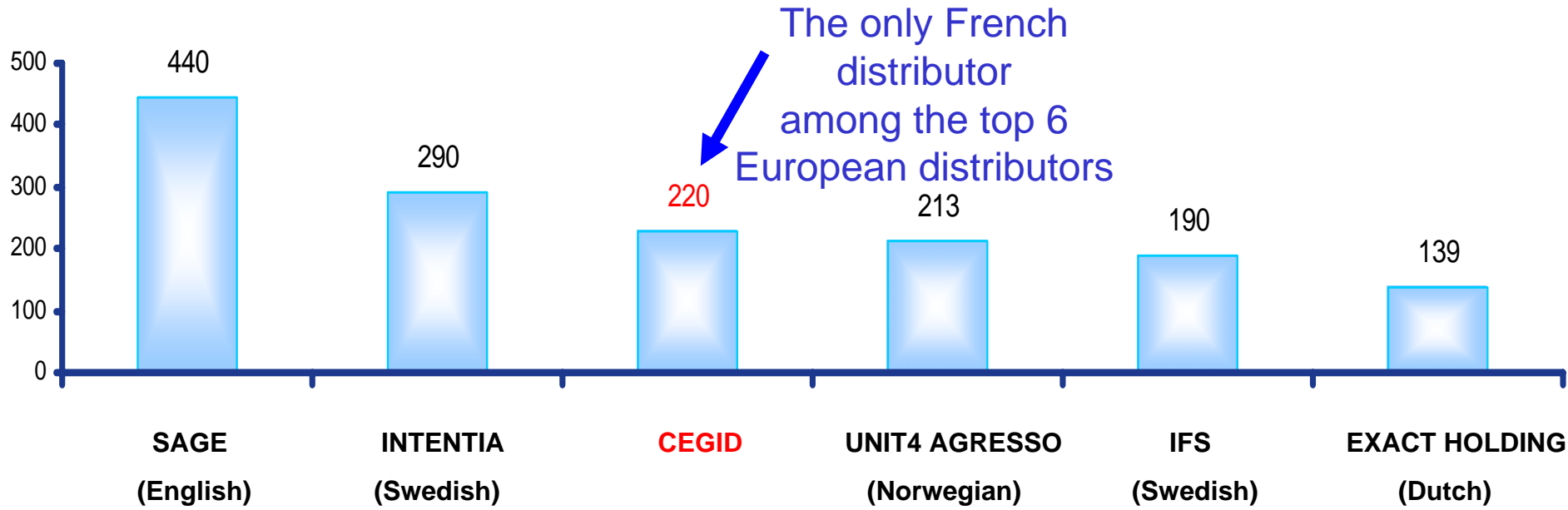
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# A new dimension

Sales in millions of €



*A sound reliable player on the scale of the European Mid Market*

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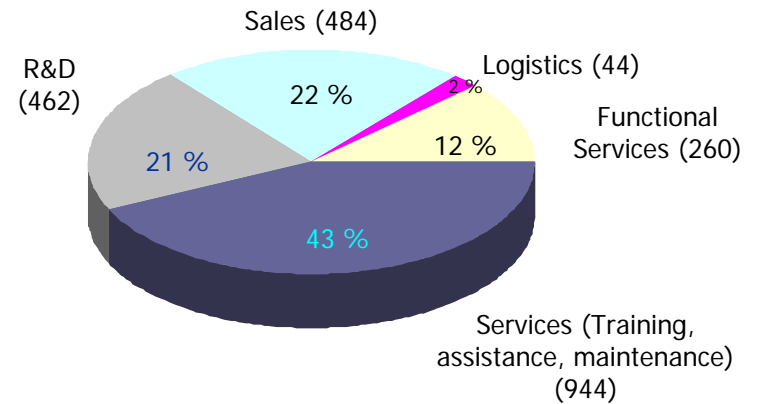
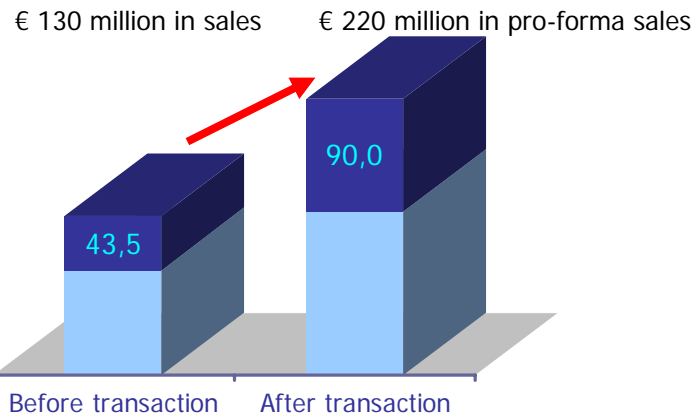




# A new dimension

Reinforce installed base :  
Increased recurring contract  
portfolios

A group of 2,200 employees



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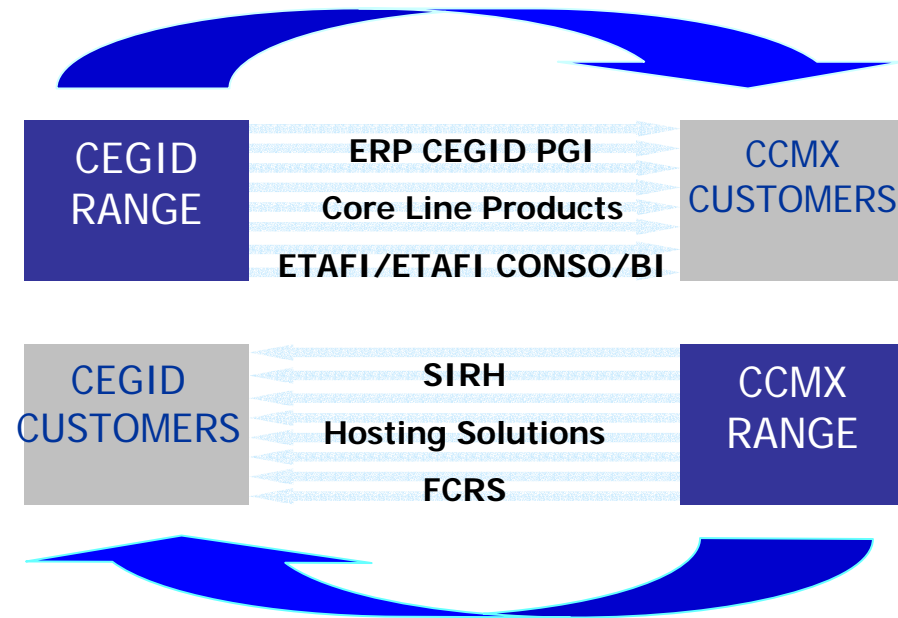
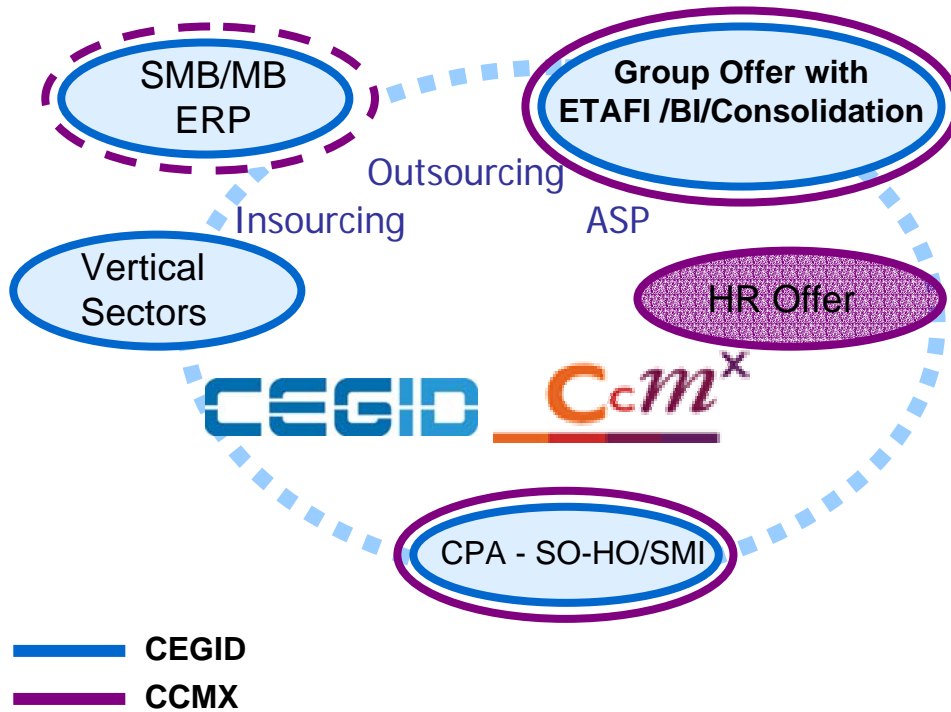




# A new dimension

Dynamic strategy directed towards companies in the Middle-Market

Additional offers and great potential for cross sales



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# A new dimension

## A strengthened operational organization



	PAM and Companies	Companies (SMB and group subsidiaries)	Sectorial Companies	GE and Groups
Technical Department				
Marketing Department				
Finance Department				
HR Department				
Logistics Department				

- The new group chaired by Jean-Michel AULAS will be directed by Patrick BERTRAND, General Manager of CEGID
- A management Committee for the new group incorporate the key managers of the two companies
- APAX Partners, EURAZEO and Jean-Luc LENART become member of CEGID's Board of Directors

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# A new dimension

*CEGID + CCMX: clear strategic axes*

- CPA and SO-HO
- SMB (independent or group subsidiaries)
- Vertical Sectors (Fashion, Retail, CAPM/Industry, Hospitality, Construction, Sanitation, etc.)
- Corporations and Company Groups (Offers for HR, Taxes, Consolidation, Reporting)

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# 2

## Details of the transaction

1

*Creation of the Leading Group*

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*An Offensive Strategy*



# Details of the transaction

## The major steps

- On June 24, 2004, CEGID announced an agreement with the shareholders of CCMX Holding (Apax Partners and Eurazeo) through which CEGID would acquire 100% of CCMX Holding through contribution
- Authorisation was filed with the Minister of the Economy, Finance and Industry and was granted on 19 October 2004
- Approval from AMF/document E: approval no. E.04-193, dated 27 October 2004
- Approval by CEGID's shareholders within the framework of the Joint General Shareholders' Meeting on 16 November 2004 at 9:00 a.m. in Lyons

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# Details of the transaction

- Acquisition by CEGID of 100% of the controlling capital of CCMX
- This transaction will take the form of a remunerated contribution through the issue of 2,489,966 CEGID shares, i.e. 29.5% of the capital of CEGID, post-transaction
- This transaction valorizes CCMX et €56 million after deduction of a net debt as of March 31, 2004 of €32 million, which will be refinanced by the cash flow available at CEGID
- Transfer by ICMI to the shareholders of CCMX Holding of 591,341 BSAR (29.5% of the existing BSAR)
- Transfer to ICMI by the shareholders of CCMX Holding of 100,483 CEGID shares acquired by the contribution in order to maintain ICMI's blocking minority
- Measures of the «lock-up» type for the 6 months following the approval by the Extraordinary Shareholder's Meeting for 87.5% of the shares held after the transaction by the shareholders of CCMX Holding

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# Details of the transaction

## Breakdown of CEGID capital

Before the transaction (as of June 15)

ACTIONNAIRES	% capital	% voting rights
ICMI (1)	27.93 %	43.05 %
Managers (2)	0.14 %	0.11 %
Treasury Stock (3)	0.25 %	--
Ulysse Tocqueville (5)	5.47 %	4.24 %
Public	66.21 %	52,60 %
<b>TOTAL</b>	<b>100.00 %</b>	<b>100.00 %</b>

After the transaction: ICMI remains the main shareholder of CEGID

ACTIONNAIRES	% capital	% voting rights
ICMI (1)	20.88 %	33.49 %
Managers (2)	0.10 %	0.09 %
Treasury Stock (3)	0.18 %	--
<b>Apax</b>	<b>17,75 %</b>	<b>14,75 %</b>
<b>Eurazeo</b>	<b>9,45 %</b>	<b>7,85 %</b>
<b>Autres actionnaires du collège de CCMX Holding</b>	<b>1,11 %</b>	<b>0,92 %</b>
Ulysse Tocqueville (4)	3.85 %	3.20 %
Public	46.68 %	39.70 %
<b>TOTAL</b>	<b>100.00 %</b>	<b>100.00 %</b>

(1) ICMI, steering company of the CEGID Group, is held at 99.96% by Mr. Jean-Michel AULAS

+ Equity shares held by ICMI within the framework of the liquidity agreement (3,876)

(2) Considered to be managers: shareholders (excl. ICMI) and the General Manager

(3) Equity shares held as treasury stock by CEGID within the framework of the liquidity agreement

(4)

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# Details of the transaction

*Estimated pro forma combined balance sheet (in millions of €)*



<b>Fixed Assets</b> <b>193</b>
<b>Current Assets</b> <b>81</b>
<b>Cash 68</b>

**Total Assets: 342**

<b>Shareholder's Equity</b> <b>120</b>
<b>Océane 31</b>
<b>OBSAR 44</b>
<b>FINANCIAL TAX 41</b>
<b>Provisions 12</b>
<b>Ecart de 1<sup>ère</sup> conso. (PPRC) 16</b>
<b>Current Liabilities</b> <b>78</b>

**Total Liabilities : 342**

**Gearing : 40 %**

- Based on the consolidated balance sheet at 12/31/03 of CEGID (pro forma of the OBSAR issue) and of the consolidated balance sheet of CCMX Holding at 03/31/04 (pro forma of debt restructuring) before revaluation of CCMX assets
- Based on a valuation of shares created as remuneration for the contribution of €56 million (€22.48 /share)

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# 3

## Key Facts - 2004

1

*Creation of the Leading Group*

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*An Offensive Strategy*



# Key Facts 2004

*A particularly flat first quarter with a reversal in the trend over the end of the half-year*

➔ *Acceleration of activity in the 2nd quarter*

	06/30/04	06/30/03	Actual Scope Variation	Constant Scope Variation
First quarter	31.3	29.9	+ 4.6 %	- 6.0 %
Second quarter	31.5	30.4	+ 4.0 %	+ 4.2 %
First half-year	62.8	60.3	+ 4.3 %	- 0.9 %
First quarter	30.1	30.2	-0.4 %	+0.2 %
Total nine-month	92.9	90.5	+2.7 %	-0.5 %

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## Continue to adapt expenses to the level of business activity

Monthly breakeven objective over the year of approximately 10€M

Monthly breakeven point during the 1st half-year of approximately 10.2€M

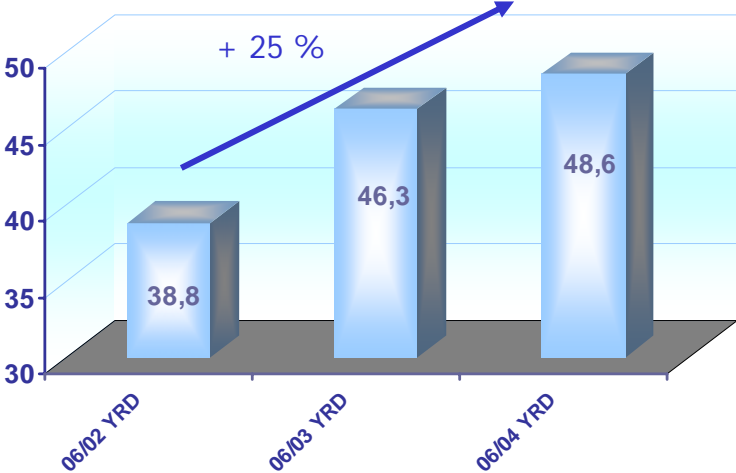
- impact of acquisitions during the second half-year 2003
- increase in allowances for paid holidays and the 35 hour working week reserves
- increase in the installed rental base



*Monthly breakeven point will decrease in second half-year*

## Recurrent sales on the rise

Assistance & maintenance contract portfolio (in million of €)



## Supplies & Consumables business sold

- “Office supplies and computer consumables” business activity sold to LIOGIER
- Effective date: 1st of February, 2004
- Sales in 2003: 4.2 M€
- Capital gain on sale: 0.3 M€
- 5-year partnership agreement between CEGID and LIOGIER

## Renforcement des moyens financiers

*OBSAR Issue – March 2004 (bonds with redeemable share warrant)*

- Amount raised: €44 100 012
- Participating banks : Société Générale, Lead Underwriter / Bookkeeper – Crédit Lyonnais, Associate Lead Underwriter



## Obligations

- Number of bonds issued: 2,004,546
- Issue price: €22
- Interest rate : Euribor – 20 bps
- Maturity date : March 3, 2009

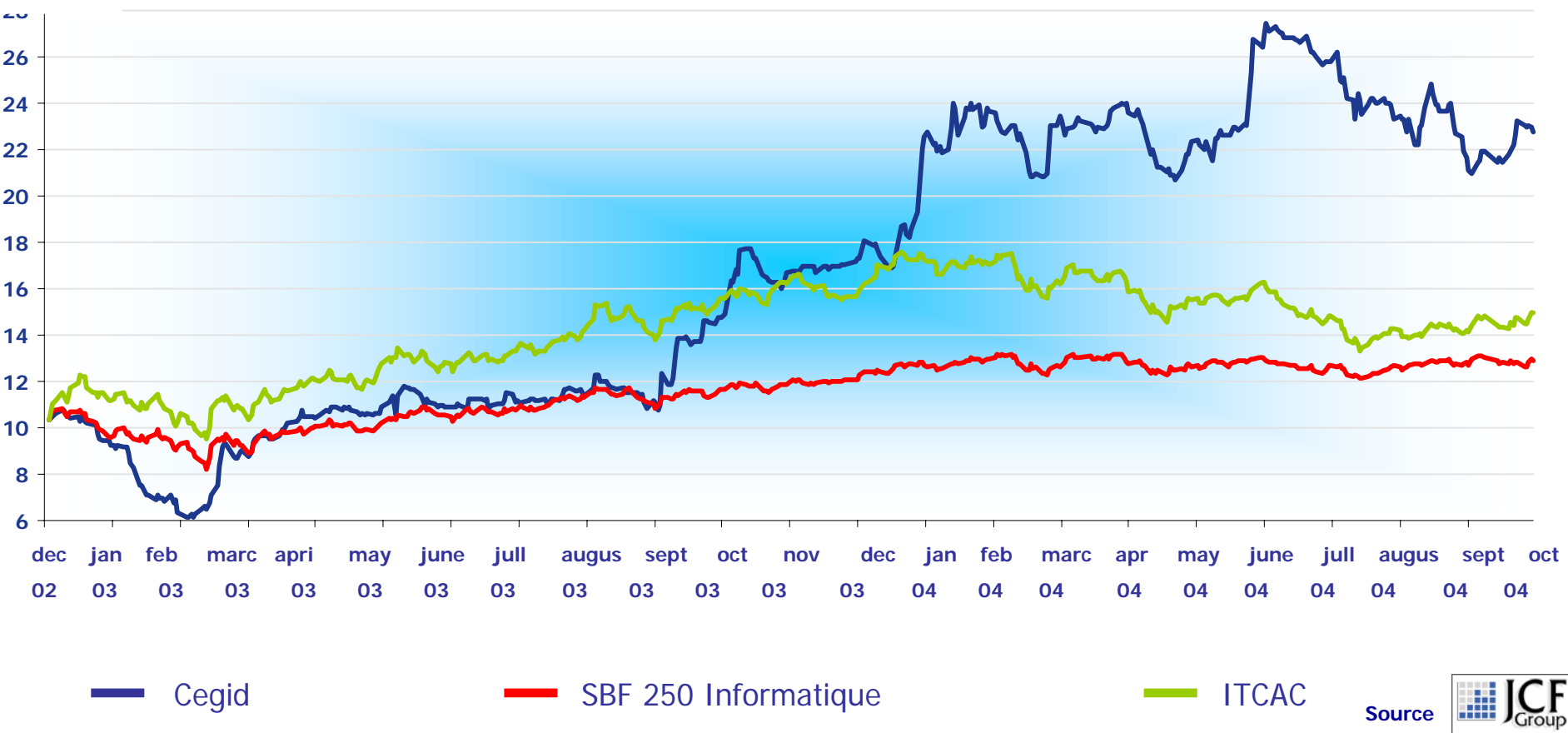
## BSAR

- 1 BSAR per Bond
- Exercise parity: 1 share per BSAR
- Exercise price: €28.44
- Exercise period : March 3, 2004 / March 3, 2009

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# Key Facts 2004 CEGID and the Stock Exchange



Source

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# Key Facts 2004

## CEGID and the Stock Exchange

### Traded volume of shares -- January 2000 / October 2004

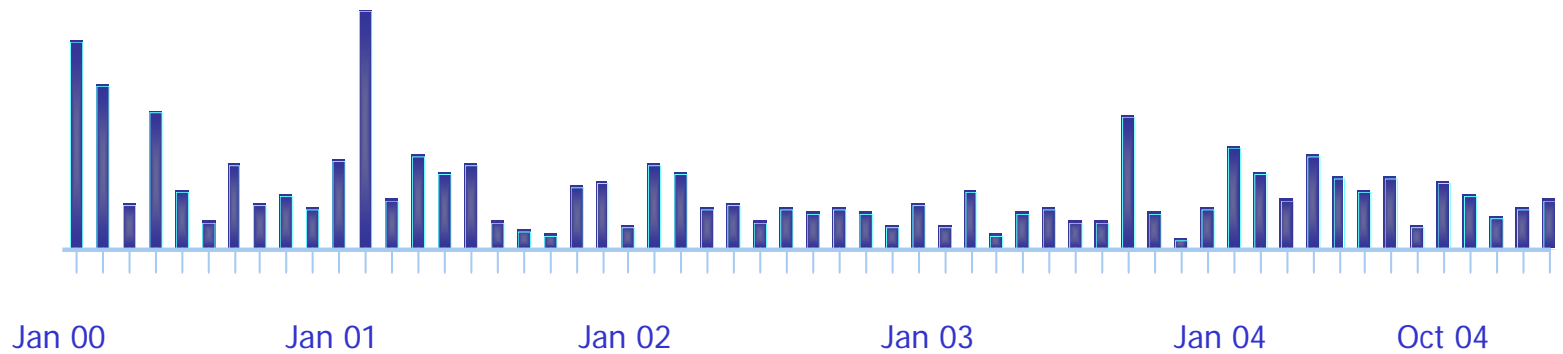
Number of shares traded and % of outstanding shares

2001: 3,774,512 / 82%

2002: 2,203,768 / 52%

2003: 2,652,269 / 62%

2004: 2,529,295 / 59% (10/31/2004)



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# 4

## An Offensive Strategy

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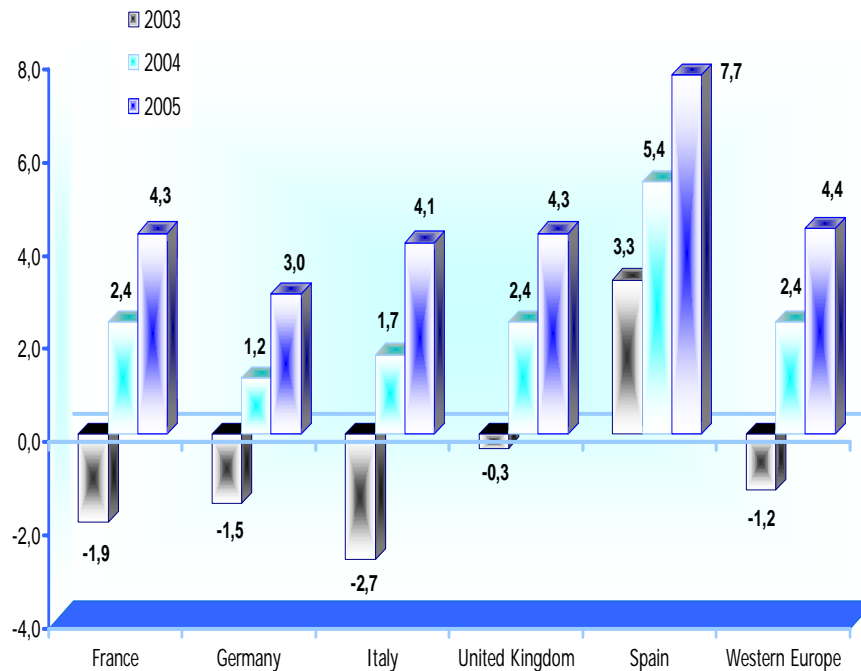
*Key Facts - 2004*



# An offensive strategy

*accelerate dynamics...in a favourable context*

## TIC market growth 2003-2005 (%)



Source: EITO in cooperation with IDC – March 2004

## Variation in IT expense

	04/03	05/04	06/05
Total IT expense	+ 2.5 %	+ 4.2 %	+ 4.5 %
Corporations	+ 0.6 %	+ 3.4 %	+ 3.4 %
SMB	+ 2.3 %	+ 4.0 %	+ 4.4 %
SO-HO	+ 3.4 %	+ 3.7 %	+ 5.7 %

**"SMB are going to adopt integrated and more modern solutions as soon as the economic context allows"**

Source: Pierre Audoin Consultants – June 2004

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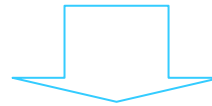
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# An offensive strategy

*factors in the changes in demand*

- 11% of French SMB are planning on purchasing a new ERP
- 1500/2000 new projects (return to normal growth)
- 25% of companies already equipped are planning functional extensions
- 38% of companies already equipped are planning to increase the number of users
- 60 % Best of breed users that want to change are going to be choosing an ERP (0 % in the other direction)
- Sales Management is the most sought-after module

Source: IDC – May 2004



*The advantages of CEGID + CCMX: installed base and product range*

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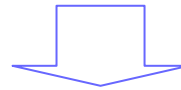
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# An offensive strategy

*Process adapted to the needs of SMB*

The conquest of the SMB-SMI market is based on key advantages:

- a complete and integrated offer, that can be deployed in modules: an ERP adapted to SMB in terms of functionality, roll-out time and costs
- knowledge of the “sector” constraints of each company
- a dedicated sales approach aiming for strong local presence



CEGID + CCMX: strategy and expertise for the Middle-Market

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# An Offensive Strategy

## A new dimension

Significant reinforcement in the sales force

- Local presence of sales force with 400 sales employees
- Better geographical coverage by customer target
- Capability of forming dedicated teams
- Denser network of «Distributors/Dealers/Integrators/Partners»
- Additional sales know-how in terms of rental equipment

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# An offensive strategy

## A new dimension

### «Cross-Selling» Synergies

- **Marketing of the CEGID ERP**
- **Payroll-HR**
  - PAM recommendation on the installed S1 ERP base
  - Promotion of HR Place for CEGID's major accounts
- **ETAFI:** a wonderful door opener for companies with more than 15 M€ in sales and for subsidiaries of groups that depend on the Corporate Office
- **Etafi Conso/FCRS** → market coverage and opening to CEGID's major accounts for FCRS
- **Business Intelligence**
  - Analytical applications (example: HR)
  - Opening up to CCMX accounts
- **The Vertical «CEGID» offer for CCMX accounts**
- **The «AS 400» offer**

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# An Offensive Strategy

## A new dimension

*Mutualisation des investissements de R&D*

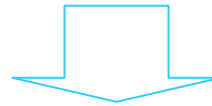
### Homogenization in development & technologies

- Strong R&D potential: over 400 developers and 10% of sales
- CEGID AGL: smart client «DB & OS Agnostics», online enable

### Technological agreements top be tapped

- Microsoft with MBF
- IBM with DB2 and Iseries

### True expertise in the fields of Outsourcing and hosting



Accelerate technological development while still decreasing  
the relative share of R&D expense in sales figures

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# An Offensive Strategy

## A new dimension

High potential for optimizing fixed costs



- **Hosting**

- Better coverage of fixed costs for the hosting platform
- Etafi.fr, Jedeclare.com portals

- **Real Estate**

- **Potential for purchasing, in particular in terms of telephony and Transports & Business Trips**

- **Marketing & Communication**

- **Internal Computer Equipment**

- Tool Optimization (reduction in the purchase of licenses, etc.)
- Reduction in the cost of machine resource hosting


- **Fees, Subcontracting & Distribution Logistics**

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# An offensive strategy A new dimension

*New Development...*


- 
- A market that is concentrating → External growth
    - Purchase of customer equipment (Vertical sectors, HR, group offers, etc.)
  - International Development
    - Customer support
    - Search for partnerships

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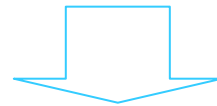
An offensive strategy  
A new dimension

## CEGID + CCMX: real synergies



→ Synergies in terms of cross-sales

→ Synergies in terms of cost



*Goal of Reducing the Monthly Breakeven Point for the Business  
(Currently → CEGID: about €10 M- CCMX: €7 to 7.5 M)*

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# An Offensive Strategy

## A new dimension

*CEGID: a growth strategy and model based on:*

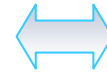
- Strong positioning in the Middle-Market
- Dynamic R&D policy
- Multi-channel distribution policy
- Growth through acquisitions



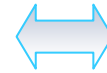
a growing market



a complete and mature line of business software packages



a local service



increase the number of clients / distribute the PGI line



*“Thanks to this approach that combines flexibility, reliability and adaptability, bolstered by 20 years of services to business, CEGID has become the leading French company specialised in business software packages aimed at SMEs and is positioned as an essential player in this market with solid advantages to consolidate its partnership with these companies in the future.”*

Source: Study Pierre Audoin Consultants – September 2003

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# An Offensive Strategy

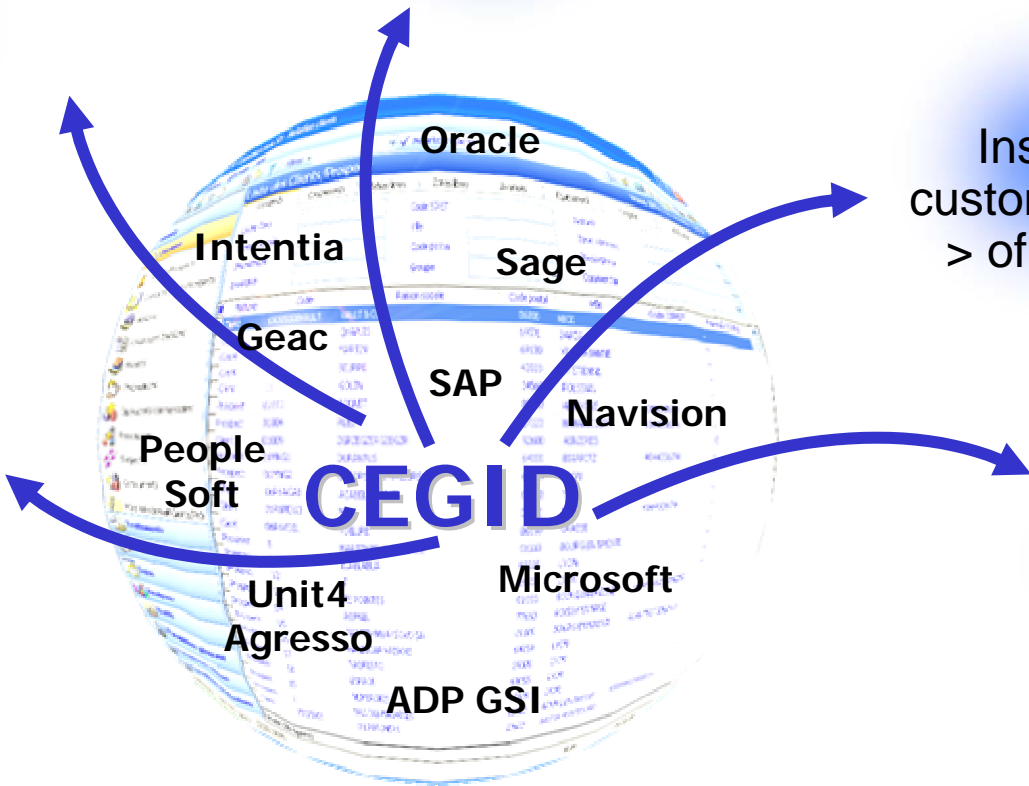
*A new dimension*

The Vertical Approach:  
the profession before  
technology

A mature and  
complete  
product line

Installed  
customer base  
> of 80,000

Motivated and  
competent  
employees



Real  
experience in  
the Middle-  
Market




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# Relations Investisseurs

*Shedule*



The Combined Annual General Meeting - Lyon Q4 Sales 2004	Tuesday November 16, 2004 Wednesday January 19, 2005
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# Questions/Answers

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# *End of the presentation*

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