Generix Group:
2008/2009 accounts reflect accelerated transformation to SaaS

Paris, 29 June 2009 - ***Generix Group, software editor for the retail sector, today issued its consolidated IFRS accounts for the 2008/2009 year***

IFRS consolidated accounts, € million	2007-08 issued[(1)]	2007-08 pro forma[(2)]	2008/2009
Revenue	55.5	68.1	67.6
EBITDA [(3)]	6.3	5.9	0.6
EBITDA margin	*11.3%*	*8.7%*	*0.9%*
Ordinary operating profit	4.8	3.2	-3.7
Ordinary operating margin	*8.6%*	*4.7%*	*-5.5%*
Operating profit	3.1	1.5	-5.2
Operating margin	*5.6%*	*2.2%*	*-7.7%*
Net finance (expense) income	-0.5	-1.2	-0.3
Profit (loss) for period before tax	2.6	0.2	-5.6
Theoretical income tax	-1.1	-0.7	+1.8
Profit (loss) for period, attributable to Group	1.4	-0.5	-3.7
Net margin	2.6%	-0.7%	-5.6%

(1) Including Infolog for three months, with a €5 million contribution to consolidated revenue
(2) Including Infolog for 12 months, with an €18.2 million contribution to consolidated revenue. Excludes revenue from ILS, a subsidiary sold to IPS Europe in April 2008
(3) Profit for period before tax, amortisation and depreciation, less capitalised research and development, and before other operating income and expense

➔ 2008/2009: deteriorating economic situation and accelerated transformation to SaaS model

Since 2004 Generix Group has been implementing a proactive development policy aiming to transform itself into an indispensable global retailing software editor. In a few years, this strategic reorientation has fed through into strong revenue growth — quadrupling in four years — plus significant industrial acquisitions and margin improvements, with a dynamism unaffected by the worsened economy.

In 2008/2009 the Group made major operational investments along two lines. This involved, firstly, integrating acquisitions and structuring activity and, secondly, accelerating the business model's transition to Software as a Service (SaaS).
Jean-Charles Deconninck, Chairman of the Executive Board, commented: *"In what is a difficult economic climate for the entire sector, we chose to accelerate our strategy and extend our technological lead. We felt we had to undertake this task in a market where Software as a Service is becoming the genuine underlying trend. We are winning strong strategic positions and significant market shares with solutions acknowledged as being among the market's best performing."*

In the 2008/2009 financial year, the Generix Group posted €67.6 million in revenue, or a 22% year-on-year improvement (flat pro forma). The Publishing businesses advanced by 18% (flat pro forma) with strong gains in recurrent revenues, SaaS and Maintenance. The share from Publishing thus expanded to 55.4% of the consolidated figure. The Generix Group continued its international development with 14% growth in this area.

The current economic context is characterised by a significant postponement of client investment decisions on major ERP projects.

Meanwhile, the SaaS model is well suited to the retail sector and is seeing its development accelerate. The Group is responding to market expectations with efficient solutions from the functional, technical and financial standpoints. The SaaS business expanded considerably, therefore, with 64% growth in the last quarter of the period.

➔ 2008/2009: economic deterioration, major investments and non-cash expenses weigh on results
➔ Satisfactory cash flow generation

While changing demand and the harsh cost of interruptions to Licence sales have taken their toll on Ebitda (excluding own work capitalised), this remained slightly positive at €0.6 million.
To speed up its SaaS offer, the Group invested in human, telecom and software resources, in line with market expectations. The allocation of the Influe and Infolog acquisition prices to amortisable intangible assets (R&D, Commercial Relations and Brands) represented a €1.3 million non-cash expense. After recognising final non-recurring integration costs of €1.6 million there was a €5.2 million operating loss, leaving the Group with an attributable negative result for the period of €3.7 million.

The Group recorded satisfactory operating cash flow generation of €3.2 million, enabling it to finance a major €3.8 million investment programme, while keeping free cash flow near breakeven.

Main cash flow items, € million	2008/2009
Gross cash flow	0.5
Change in WCR	2.8
Operating cash flow	3.2
Investments	-3.8
Free cash-flow	-0.5
Debt repayments	-2
Cash at beginning of period	9.2
Cash at end of period	6.7

Meanwhile, the Group repaid debts of €2 million, leaving cash at €6.7 million at period-end. Accordingly, its balance sheet is particularly solid with limited gearing of 22%, €39.5 million in equity and a €9.4 million negative WCR.

➔ Conclusion and outlook

The Group is innovating by launching the world's first SaaS-based Supply Chain, Transport and Warehouse Management solution, for which it has signed its first major contract with Kuehne + Nagel, a leading European logistics company. New SaaS-mode complementary modules shall soon be marketed so the Group should be able to provide a comprehensive SaaS offer by the end of the 2009/2010 financial year.

Jean-Charles Deconninck, Chairman of the Executive Board, concluded: *"The 2008/2009 year included six months of marked deterioration in the economic environment and the brutal decline in Licence sales combined with our investments weighed on our income statement. Thanks to a series of management decisions, we were able to keep the Company's financial variables in balance with positive operating cash flow and free cash flow near breakeven. Our capital structure is still thus very healthy and allows us to look to the future serenely. The multi-year contracts signed in 2008/2009 contribute visibility and recurrence to the business and should help our investments bear fruit. Supported by developments in line with client expectations, the Group is more confident than ever of its ability to outperform the market in the years ahead."*

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Next press release: 28 July 2009, after the stock market close
Revenue for 2009/2010's first quarter, ended 30 June 2009

Press contact
Stéphanie Stahr

Generix Group contact
Sylvie Brunet

CM-CIC Emetteur
stahrst@cmcics.com
+ 33 (0) 1 45 96 77 83

Head of Communications
sbrunet@generixgroup.com

About Generix Group

Generix Group offers a full range of collaborative software for knowledge transfer, supply chain management and value chain optimisation. Its applications are designed for companies in the FMCG, supermarket, retailing, automotive, healthcare and shipping industries.
Generix Group currently has 600 employees and generates revenue of around €68 million. It has become Europe's leading retail and supply chain software editor, with customers including Carrefour, Gefco, Leclerc, Leroy Merlin, Nestlé, Unilever, DHL Exel Supply Chain, Louis Vuitton, Sodiaal, Metro, Sara Lee, Kuehne + Nagel, and Cdiscount. Over 1500 retailers, global manufacturers and logistics companies now rely on Generix collaborative software.
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