PRESS RELEASE

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GLOBAL GRAPHICS REPORTS FOURTH QUARTER AND FULL YEAR 2009 RESULTS

Pompey (France), Wednesday 10 February 2010 - GLOBAL GRAPHICS SA (NYSE-Euronext: GLOG), experts in developing e-document and printing software, announces consolidated results for the quarter and the year ended 31 December 2009.

Comparisons for the quarter ended 31 December 2009 with the same quarter of the previous year include:

- Sales of Euro 2.2 million this quarter (Euro 2.4 million at Q4 2008 exchange rates) compared with Euro 2.7 million in Q4 2008;
- An operating loss of Euro 0.5 million this quarter, compared with an operating loss of Euro 0.1 million in Q4 2008;
- An adjusted operating loss of Euro 0.3 million this quarter, as was already the case in Q4 2008;
- An adjusted pre-tax loss of Euro 0.3 million this quarter (or an adjusted pre-tax loss of Euro 0.03 per share), compared with a nominal adjusted pre-tax loss in Q4 2008 (or an adjusted pre-tax loss of Euro 0.00 per share);
- A net loss of Euro 0.1 million this quarter (or a net loss of Euro 0.01 per share), compared with a net loss of Euro 0.2 million in Q4 2008 (or a net loss of Euro 0.02 per share); and
- A nominal adjusted net profit this quarter (or an adjusted net profit of Euro 0.00 per share), compared with an adjusted net loss of Euro 0.4 million in Q4 2008 (or an adjusted net loss of Euro 0.04 per share).

Commenting on performance, Gary Fry, Chief Executive Officer, said: “one of the companies in the office printing market that had been evaluating our embedded technology through 2009 signed a contract with us in the fourth quarter, with corresponding first product shipments being expected in next August. This is a very encouraging validation of the performance of our technology in this segment and the competitive edge it can provide to our customers.

“As to the eDoc segment, during the fourth quarter, we invested in a dedicated, US-based sales force which will focus on selling into the US corporate market via our corporate license plan. We also launched our knowledge worker desktop application, gDoc Fusion, on 1 December and were encouraged by the significant number of downloads recorded to date for this product. We are supporting the launch of gDoc Fusion with a comprehensive marketing program and have also adopted a ‘freemium’ strategy to promote widespread distribution and sales of the gDoc range of products.”

Fourth quarter 2009 performance
Sales for the quarter amounted to Euro 2.2 million, compared with Euro 2.7 million for the same quarter of 2008, or a sequential decrease of 18.7 % at current exchange rates, and of 10.4% at constant exchange rates.

Total operating expenses amounted to Euro 2.6 million this quarter, compared with Euro 2.7 million for the same quarter of 2008, and included non-recurring expenses of Euro 0.1 million.

The Company reported an operating loss of Euro 0.5 million for this quarter (or a loss equal to 21.1 % of Q4 2009 sales), compared with an operating loss of Euro 0.1 million for the same quarter of 2008 (or a loss equal to 2.1% of Q4 2008 sales).

The Company reported an adjusted operating loss (or EBITA, as defined in the accompanying table) of Euro 0.3 million for this quarter, as was already the case in the same quarter of 2008. Accordingly, EBITA margin was -14.8 % of sales in Q4 2009, compared with -11.2% of sales in Q4 2008.

The Company reported an adjusted pre-tax loss (as defined in the accompanying table) of Euro 0.3 million for this quarter, compared with a nominal adjusted pre-tax loss for the same quarter of 2008. Accordingly, adjusted pre-tax EPS was a loss of Euro 0.03 in Q4 2009, compared with Euro 0.00 in Q4 2008.

The Company reported a net loss of Euro 0.1 million for this quarter (or a net loss of Euro 0.01 per share), compared with a net loss of Euro 0.2 million for the same quarter of 2008 (or a net loss of Euro 0.02 per share).

The Company reported a nominal adjusted net profit (as defined in the accompanying table) for this quarter (or an adjusted net profit of Euro 0.00 per share), compared with an adjusted net loss of Euro 0.4 million for the same quarter of 2008 (or an adjusted net loss of Euro 0.04 per share).

Full year 2009 performance

Sales for the year ended 31 December 2009 were Euro 9.4 million (Euro 8.9 million at 2008 rates) compared with Euro 11.2 million in the year ended 31 December 2008, or a decrease of 16.2 % at current exchange rates, and of 20.4% at constant exchange rates.

Sales in the Print segment of the Company’s business were Euro 7.6 million in 2009, compared with Euro 9.4 million in 2008, or a decrease of 19.6% at current exchange rates and of 23.5% at constant exchange rates.
Sales in the eDoc segment of the Company’s business were Euro 1.8 million in 2009, compared with Euro 1.7 million in 2008, or an increase of 2.5% at current exchange rates but a decrease of 3.4% at constant exchange rates.

Total operating expenses amounted to Euro 10.4 million in the year ended 31 December 2009, compared with Euro 10.8 million in the year ended 31 December 2008, and included Euro 0.1 million of non-recurring expenses relating to changes made in the Company’s senior management team in the last quarter of 2009, notably the hiring of Mike Finta as director of development.

The Company reported an operating loss of Euro 1.3 million in the year ended 31 December 2009 (or -14.3 % of 2009 sales), compared with an operating loss of Euro 0.1 million in the year ended 31 December 2008 (or -0.8% of 2008 sales).

The Company reported an adjusted operating loss of Euro 1.5 million in the year ended 31 December 2009 (or –16.4 % of 2009 sales), compared with an adjusted operating loss of Euro 0.3 million in the year ended 31 December 2008 (or -2.7 % of 2008 sales).

The Company reported an adjusted pre-tax loss of Euro 1.6 million in the year ended 31 December 2009 (or an adjusted pre-tax loss of Euro 0.16 per share), compared with an adjusted pre-tax profit of Euro 0.2 million in the year ended 31 December 2008 (or an adjusted pre-tax profit of Euro 0.02 per share).

The Company reported a net loss of Euro 1.6 million in the year ended 31 December 2009 (or a loss of Euro 0.16 per share), compared with a net loss of Euro 0.6 million in the year ended 31 December 2008 (or a net loss of Euro 0.06 per share).

The Company reported an adjusted net loss of Euro 1.7 million in the year ended 31 December 2009 (or an adjusted net loss of Euro 0.17 per share), compared with an adjusted net loss of Euro 0.6 million in the year ended 31 December 2008 (or an adjusted net loss of Euro 0.06 per share).

Cash flow

The Company had a net cash position of Euro 3.1 million at 31 December 2009, compared with Euro 4.5 million at 31 December 2008, or a decrease of Euro 1.4 million over 2009.

Net cash used by the Company's operations was Euro 0.1 million in the year ended 31 December 2009 while net cash used in investing activities (through capital expenditures of computer equipment and capitalization of eligible development expenses) was Euro 1.4 million.

Concluding remarks

Gary Fry added: "2009 was a difficult trading year for most companies in our industry; yet our results are better than other industry participants with whom we are competing, even though they show a decrease, and I remain confident about our overall potential.

"We took the decision to continue with new strategic investments throughout 2009 in both segments of the Company's business. In the Print segment, as noted above, we have had validation from several potential customers in the office printing market that our embedded RIP solution, which was upgraded during 2009, gives them a truly competitive advantage over their existing solution, while, in the production printing segment, we expect the contribution to sales from new customers in 2010 to offset the overall decline we have been seeing from this market over the past few years. In the eDoc segment for knowledge worker applications, we sharpened our focus on our go-to-market strategy. Overall, I believe that our technology development and our sustained sales and marketing efforts put us in a strong position to unlock existing and future opportunities in all areas of our strategic focus."

Fourth quarter and full year 2009 conference call details

Global Graphics will hold a conference call today at 10.00 CET about its results for the quarter and the year ended 31 December 2009. Callers should dial +44 (0)20 7162 0025 and mention "Global Graphics quarterly results conference call" to the operator.

The call will be available for replay for 7 working days by dialing number +44 020 7031 4064 (freephone number UK only: 0800 358 1867), access code 857659.

Auditors' reports on the 2009 Company's statutory and consolidated accounts

The attached condensed consolidated financial statements and selected explanatory notes, which were drafted by the Company's Board of Directors on 9 February 2010, have been audited by the Company's auditors, and are therefore final.
The Company's auditors still have additional audit procedures to perform, including, but not limited to, the Company's statutory accounts, the full version of the notes attached to the Company's consolidated accounts, as well as all reports drafted by the Company's Board of Directors with respect of the year ended 31 December 2009.
As in previous years, their final audit reports will be included in the Company's annual report for the year ended 31 December 2009.

2009 annual report

The Company expects to publish the electronic versions of its annual report (in English and in French) in the last week of March 2010.
Printed copies of the English and French reports will be available shortly thereafter. Should you wish to receive one or several copies of the Company's 2009 annual report, please let us know by sending an e-mail to the following e-mail address: investor-relations@globalgraphics.com, or a request in writing to the registered office of the Company.

First quarter 2010 results announcement

Global Graphics expects to announce its consolidated financial results for the quarter ending 31 March 2010 on Friday 23 April 2010 before market opening.

Annual meeting of the Company's shareholders

Global Graphics expects to hold its annual meeting on Friday 23 April 2010 in Brussels (Belgium). The precise timing, final agenda, proposed resolutions and voting procedures will be announced a minimum of 35 days in advance of meeting date in accordance with applicable provisions of French Company Law.

About Global Graphics

Global Graphics (http://www.globalgraphics.com) is a leading developer of e-document and printing software. It provides high-performance solutions to the graphic arts/commercial print and digital print markets and for knowledge worker and professional software applications. The Company's customers include Original Equipment Manufacturers (OEMs), system integrators, software developers and resellers and number the world's leading brands of digital pre-press systems, large-format color printers, color proofing systems, digital copiers and printers for the corporate and SOHO (Small Office / Home Office) markets, as well as a wide variety of market leading software applications.

Forward-looking statements

This press release contains, in addition to historical information, forward-looking statements that involve risks and uncertainties. These include statements regarding the Company's growth, funding, expansion plans and expected results for future periods. Such statements are based on management's current expectations and are subject to a number of uncertainties and risks that could cause actual results to differ materially from those described in the forward-looking statements. Although management believes that their expectations reflected in the forward-looking statements are reasonable based on information currently available to them, they cannot assure any reader that the expectations will prove to have been correct. Accordingly, any reader should not place undue reliance on these forward-looking statements. In any event, these statements speak only as of the date of this release. The Company undertakes no obligation to revise or update any of them, neither to reflect events or circumstances after the date of this release, nor to reflect new information nor the occurrence of unanticipated events.

GLOBAL GRAPHICS SA AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF INCOME (LOSS)

In thousands of euros Except per share data in euro	Fourth quarter 2009 Unaudited figures	Fourth quarter 2008 Unaudited figures	Year ended 31 Dec. 2009 Unaudited figures	Year ended 31 Dec. 2008
Sales	2,213	2,721	9,362	11,168
Cost of sales	(106)	(104)	(313)	(432)
GROSS PROFIT	2,107	2,617	9,049	10,736
Selling, general and admin. expenses	(1,251)	(1,509)	(5,386)	(5,767)
Research and development expenses	(1,322)	(1,165)	(5,006)	(5,056)
OPERATING LOSS	(466)	(57)	(1,343)	(87)
Interest income (note 6)	3	28	16	128
Interest expenses (note 6)	0	0	0	0
Net foreign exchange gains (losses)	28	266	(94)	393
PROFIT (LOSS) BEFORE INCOME TAX	(435)	237	(1,421)	434
Income tax (expense) benefit (note 7)	297	(440)	(185)	(999)
NET LOSS	(138)	(203)	(1,606)	(565)
LOSS PER SHARE (note 8)				
Basic net loss per share	(0.01)	(0.02)	(0.16)	(0.06)
Diluted net loss per share	(0.01)	(0.02)	(0.16)	(0.06)

The accompanying selected explanatory notes are an integral part of the Company's condensed consolidated financial statements as at and for the quarter and the year ended 31 December 2009.
Figures for the year ended 31 December 2008 have been extracted from the audited, full consolidated financial statements for that year.

GLOBAL GRAPHICS SA AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

In thousands of euros	Fourth quarter 2009 Unaudited figures	Fourth quarter 2008 Unaudited figures	Year ended 31 Dec. 2009 Unaudited figures	Year ended 31 Dec. 2008
Net loss for the period	(138)	(203)	(1,606)	(565)
Foreign currency translation differences from foreign operations	245	(3,113)	1,101	(4,492)
Other comprehensive income (loss) for the period, net of income tax	245	(3,113)	1,101	(4,492)
Total comprehensive income (loss) for the period	107	(3,316)	(505)	(5,057)

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Figures for the year ended 31 December 2008 have been extracted from the audited, full consolidated financial statements for that year.

GLOBAL GRAPHICS SA AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of euros	31 December 2009 Unaudited figures	31 December 2008
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	560	642
Other intangible assets	4,754	4,014
Goodwill	6,351	5,871
Financial assets	130	111
Deferred tax assets, net (note 4c)	807	936
TOTAL NON-CURRENT ASSETS	12,602	11,574
CURRENT ASSETS		
Inventories	45	54
Trade receivables	2,242	2,951
Current income tax receivables	26	7
Other current receivables	114	154
Prepaid expenses	579	508
Cash	3,144	4,482
TOTAL CURRENT ASSETS	6,150	8,156
TOTAL ASSETS	18,752	19,730
LIABILITIES AND SHAREHOLDERS’EQUITY		
SHAREHOLDERS’EQUITY		
Share capital (note 9a)	4,116	4,116
Share premium (note 9b)	28,829	28,830
Reserve for share options outstanding	2,853	2,751
Reserve for own shares (note 10)	(1,246)	(1,246)
Accumulated deficit	(6,042)	(4,436)
Foreign currency translation reserve	(12,144)	(13,245)
TOTAL SHAREHOLDERS’EQUITY	16,366	16,770
LIABILITIES		
NON-CURRENT LIABILITIES		
Other non-current liabilities	2	2
TOTAL NON-CURRENT LIABILITIES	2	2
CURRENT LIABILITIES		
Trade payables	337	471
Current income tax payables	14	6
Other payables	679	862
Customer advances and deferred revenue	1,354	1,619
TOTAL CURRENT LIABILITIES	2,384	2,958
TOTAL LIABILITIES	2,386	2,960
TOTAL LIABILITIES AND SHAREHOLDERS’EQUITY	18,752	19,730

The accompanying selected explanatory notes are an integral part of the Company’s condensed consolidated financial statements as at and for the quarter and the year ended 31 December 2009.
Figures for the year ended 31 December 2008 have been extracted from the audited, full consolidated financial statements for that year.

GLOBAL GRAPHICS SA AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

In thousands of euros	Year ended 31 Dec. 2009 Unaudited figures	Year ended 31 Dec. 2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before income tax	(1,421)	434
Adjustments for items without effect on cash:		
- Depreciation of property, plant and equipment	264	344
- Amortisation of other intangible assets	66	124
- Amortisation of capitalised development expenses	744	654
- Net interest (income) expenses (note 6)	(16)	(128)
- Net exchange (gains) losses (note 6)	94	(393)
- Share-based compensation expenses (note 4d)	102	194
- Expenses offset against the share premium (note 9b)	(1)	(44)
Exchange rate differences	(38)	(329)
Other items	39	6
Change in value of operating assets and liabilities:		
- Inventories	9	48
- Trade receivables	709	909
- Current income tax receivables	(19)	(3)
- Other current receivables	40	12
- Prepaid expenses	(71)	107
- Trade payables	(134)	108
- Current income tax payables	8	(37)
- Other payables	(183)	(228)
- Customer advances and deferred revenue	(265)	992
Cash received in the period for interest income	15	136
Cash paid in the period for interest expenses	0	0
Cash paid in the period for income taxes	(47)	(198)
NET CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	(105)	2,696
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures on property, plant and equipment	(169)	(248)
Capital expenditures on other intangible assets	0	(158)
Capitalization of development expenses (note 4b)	(1,208)	(1,663)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(1,377)	(2,069)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repurchase of own shares (note 10)	0	(66)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	0	(66)
NET INCREASE (DECREASE) OF CASH IN THE YEAR	(1,482)	561
CASH AT 1 JANUARY	4,482	4,112
EFFECT OF EXCHANGE RATE CHANGES ON CASH HELD AT 1 JANUARY	144	(191)
CASH AT 31 DECEMBER	3,144	4,482

The accompanying selected explanatory notes are an integral part of the Company’s condensed consolidated financial statements as at and for the quarter and the year ended 31 December 2009.
Figures for the year ended 31 December 2008 have been extracted from the audited, full consolidated financial statements for that year.

GLOBAL GRAPHICS SA AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In thousands of euros	Year ended 31 Dec. 2009 Unaudited figures	Year ended 31 Dec. 2008
Shareholders’ equity at 1 January	16,770	21,743
Total comprehensive loss for the period	(505)	(5,057)
Effect of share-based compensation expenses:		
- Value of services rendered during the period (note 4d)	102	194
- Net proceeds from the issue of new shares (note 9b)	(1)	(44)
Total effect of share-based compensation expenses	101	150
Repurchase of own shares in the period (note 10)	0	(66)
Shareholders’ equity at 31 December	16,366	16,770

The accompanying selected explanatory notes are an integral part of the Company’s condensed consolidated financial statements as at and for the quarter and the year ended 31 December 2009.

Figures for the year ended 31 December 2008 have been extracted from the audited, full consolidated financial statements for that year.

GLOBAL GRAPHICS SA AND SUBSIDIARIES
SELECTED EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND THE YEAR ENDED 31 DECEMBER 2009

NOTE 1: REPORTING ENTITY

These condensed consolidated financial statements as at and for the quarter and the year ended 31 December 2009 comprise Global Graphics SA, a French-based company (the 'Parent'), and its subsidiaries (together referred to as 'the Company').
These condensed consolidated financial statements were authorized for issue by the Parent's Board of Directors on 9 February 2010.

NOTE 2: BASIS OF PREPARATION

(a) Statement of compliance

These condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and related interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union.
For the purposes of their inclusion in the Company's quarterly earnings release, these condensed consolidated financial statements do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the Company's consolidated financial statements as at and for the year ended 31 December 2008.

(b) Basis of measurement

These condensed consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of derivative instruments at fair value through the income statement.
Non-current assets are stated at the lower of amortized cost and fair value less disposal costs, when applicable.
The methods used to measure fair value in these condensed consolidated financial statements are the same as those used for the preparation of the Company's consolidated financial statements as at and for the year ended 31 December 2008, which are set out in note 4 to the Company's consolidated financial statements for that year.

(c) Functional and presentation currency

These condensed consolidated financial statements are presented in euros, which is the Parent's functional currency. All financial information presented in euros has been rounded to the nearest thousand.

(d) Going concern

As was already the case at 31 December 2008 (see note 2e to the Company's consolidated financial statements as at and for the year ended 31 December 2008 for further details), the global economic crisis had no material effect on the Company's ability to meet its financial requirements over the next 12 months which was known to the Parent's Board of Directors on the date these condensed consolidated financial statements were drafted.
Moreover, the Company had no financial debt outstanding and a net cash position of 3,144 at 31 December 2009 (4,482 at 31 December 2008).
Based on projected results and cash flow for the year ending 31 December 2010, management does not anticipate any significant, detrimental effect on the Company's cash position over the next 12 months.

NOTE 3: ACCOUNTING POLICIES AND METHODS

(a) Accounting policies and methods

The accounting policies and methods used for the preparation of these condensed consolidated financial statements are the same as those used for the preparation of the Company's consolidated financial statements as at and for the year ended 31 December 2008, which are set out in note 3 to the Company's consolidated financial statements for that year, with exception of the new standards and amendments to standards, which are mandatory for the first time for the financial year beginning 1 January 2009 and are relevant to the Company, referred to in note 3b below.

(b) New standards and amendments to standards mandatory for the first time in 2009

(i) IAS 1 (revised), Presentation of financial statements

The revised standard, which became effective as of 1 January 2009, prohibits the presentation of items of income and expenses (i.e. 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity, in a performance statement.

Entities may choose whether to present one performance statement (the statement of comprehensive income) or two separate statements (the income statement and the statement of comprehensive income). The Company has elected to present two statements, an income statement and a statement of comprehensive income, which are included in these condensed consolidated financial statements. This presentation has been applied in these condensed consolidated financial statements as at and for the year ended 31 December 2009.

Comparative information has been re-presented so that it also is conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

(ii) IFRS 8, Operating Segments

IFRS 8, which replaces IAS 14, Segment Reporting, requires a 'management approach' under which segment information is presented on the same basis as used for internal reporting purposes. This has resulted in an increase of the number of reportable segments presented, as the previously single reported segment was split into the following two segments: printing software ('Print' segment) and electronic document technologies ('eDoc' segment).

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker (CODM). The Company's CODM has been identified as the Company's Chief Operating Officer (CEO), Mr. Gary Fry.

Goodwill has been allocated by management to groups of cash-generating units on a segment level. Goodwill existing at 1 January 2009 has been fully allocated to the Print segment as it relates to acquisitions of assets made in the area of printing software in the years ended 31 December 1999 and 2000.

There has been no further impact on the measurement of the Company's assets and liabilities as at 1 January 2009. Assets and liabilities are allocated based on the operations of the reportable segments. Items such as deferred tax assets, current assets other than trade receivables, and current liabilities other than customer advances and deferred revenue, are not allocated to any of the Company's reportable segments.

Comparative information has been re-presented so that it also is conformity with the transitional requirements of IFRS 8. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

NOTE 4: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in accordance with IFRSs requires the use of certain critical accounting estimates.
It also requires management to exercise judgement in the process of applying the Company's accounting policies, and to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses.
The estimates and underlying assumptions are based on historical experience and various other relevant factors that are believed to be reasonable under the circumstances, the results of which form the basis of making management's judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period and future periods if the revision affects both current and future periods.
Judgements made by the Company's management in the application of IFRSs that have a significant effect on the Company's condensed consolidated financial statements as at and for the quarter and the year ended 31 December 2009, and assumptions or estimates with a significant risk of material adjustment in the next twelve months, are discussed hereafter.

(a) Impairment of goodwill and other intangible assets

(i) Effect of the change in reportable segments as at 1 January 2009

The change in reportable segments as at 1 January 2009 has not resulted in any additional impairment of goodwill or other intangible assets at such date.

(ii) Impairment of goodwill and other intangible assets at 31 December 2009

- Goodwill and other intangible assets with indefinite useful lives

The Company is required to test annually whether goodwill and other intangible assets with indefinite useful lives have suffered any impairment during the year in accordance with the accounting policy set out in note 3f to the Company's consolidated financial statements for the year ended 31 December 2008, being noted that impairment losses on goodwill may not be reversed.
Goodwill was allocated to the Print segment for the purpose of impairment testing, as the Print and eDoc segments were identified as the lowest level for which there were separately identifiable cash flows (cash-generating unit). The recoverable amount of the Print cash-generating unit has been determined using value-in-use calculations. These calculations employed post-tax cash flow projections based on financial budgets approved by management covering a three-year period from year-end date. Cash flows for the following four years (since the estimated useful life of the segment's intangible assets will end on 31 December 2016) were extrapolated using a nil growth rate for both sales and operating expenses. A rate of 10.3% was used for discounting the projected cash flows, which management believes to reflect specific risks relating to the Print segment of the Company's business.
Based on the results of this review, the Company concluded that no impairment of goodwill and other intangible assets with indefinite useful lives was required in the quarter and the year ended 31 December 2009.

- Intangible assets that are subject to amortization

In addition, other intangible assets that are subject to amortization (notably capitalized development costs) are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Based on the results of this review, the Company concluded that no impairment of intangible assets that are subject to amortization was required in the quarter and the year ended 31 December 2009.

(b) Capitalization of computer software development costs
As stated in note 3e to the Company's consolidated financial statements for the year ended 31 December 2008, costs associated with maintaining existing computer software technology and programmes are recognised as an expense when incurred.
Are recognized as intangible assets costs that are directly associated with the production of identifiable and unique software products over which the Company has proprietary rights, that can be measured reliably, and where it is probable that future economic benefits attributable to such software products will flow to the Company. Such costs only include software development employee costs.
Development costs recognized as intangible assets are amortised from the point the asset is ready for use on a straight-line basis over its estimated useful life, which do not exceed ten years. Such amortization charge is included in Research and development expenses in the consolidated statement of income.

(i) Capitalized development costs at and in the year ended 31 December 2009
At 31 December 2009, the Company considered it could demonstrate that it met all of the above-mentioned recognition criteria for three development projects.
Net capitalized development expenses corresponding to the first project (RIP) amounted to 2,901 at 31 December 2009, following the capitalization of additional development expenses amounting to 61 and 354 in the quarter and the year ended 31 December 2009, respectively. As certain aspects of this project have resulted in the delivery of certain RIP software products since 2007, corresponding costs were amortized over the expected useful life of the corresponding technology (i.e. over a ten-year period), using the straight-line amortization method: the amortization charges which were recognized in the quarter and the year ended 31 December 2009 with regards to this first eligible project amounted to 119 and 485, respectively.
Net capitalized development expenses corresponding to the second project (EDL) amounted to 1,045 at 31 December 2009, following the capitalization of additional development expenses amounting to 35 and 228 in the quarter and the year ended 31 December 2009, respectively. As certain aspects of this project have resulted in the delivery of certain software products in the area of electronic document creation, conversion and manipulation since 2007, corresponding costs were amortized over the expected useful life of the corresponding technology (i.e. over a ten-year period), using the straight-line amortization method: the amortization charges which were recognized in the quarter and the year ended 31 December 2009 with regards to this second eligible project amounted to 41 and 167, respectively.
Net capitalized development expenses corresponding to the third project (gDoc) amounted to 651 at 31 December 2009, following the capitalization of additional development expenses amounting to 143 and 626 in the quarter and the year ended 31 December 2009, respectively. As gDoc Fusion was launched on 18 May 2009, the amortization charge which was recognized in the quarter and the year ended 31 December 2009 with regards to this third eligible project amounted to 69 and 92, respectively.

(ii) Capitalized development costs at and in the year ended 31 December 2008
At 31 December 2008, the Company considered it could demonstrate that it met all of the above-mentioned recognition criteria for three development projects.
Capitalized development expenses corresponding to the first project (RIP) amounted to 2,802 at 31 December 2008, following the capitalization of additional development expenses of 263 and 977 in the quarter and the year ended 31 December 2008, respectively. As certain aspects of this project resulted in the delivery of certain RIP software products through the years ended 31 December 2007 and 2008, corresponding costs were amortized over the expected useful life of the underlying technology, i.e. over a ten-year period, using a straight-line amortization method: the amortization charge which was recognized in the quarter and the year

ended 31 December 2008 with regards to this first eligible project amounted to 110 and 511, respectively.
Capitalized development expenses corresponding to the second project (EDL) amounted to 910 at 31 December 2008, following the capitalization of additional development expenses of 116 and 553 in the quarter and the year ended 31 December 2008, respectively. As certain aspects of this project resulted in the delivery of certain software products in the area of electronic document creation, conversion and manipulation through the years ended 31 December 2007 and 2008, corresponding costs were amortized over the expected useful life of the underlying technology, i.e. over a ten-year period, using a straight-line amortization method: the amortization charge which was recognized in the quarter and the year ended 31 December 2008 with regards to this second eligible project amounted to 43 and 143, respectively.
Capitalized development expenses corresponding to the third project (gDoc) amounted to 114 at 31 December 2008, following the capitalization of additional development expenses of 133 in the quarter and the year ended 31 December 2008. As this project was not completed at 31 December 2008, no amortization charge was recorded with respect of this project in either of the quarter or the year ended 31 December 2008.

(c) Income tax

(i) Current income tax
The Company is subject to income tax in France and in all jurisdictions where it has subsidiaries (notably in the UK and the US).
Significant judgement is required in determining the provision for income taxes, as there are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

(ii) Deferred income tax
The Company recognises deferred tax assets as stated in note 3p to the Company's consolidated financial statements for the year ended 31 December 2008.
In evaluating whether it is probable or not that a deferred tax asset recognised in a specific jurisdiction may be utilised against future taxable profits to be recognised in that jurisdiction, the Company uses estimates of future taxable profits over an appropriate period of time from the balance sheet date, based on growth and profit assumptions considered to be appropriate by management.

- Recognized deferred tax assets and liabilities

Deferred tax asset attributable to capital allowances
Deferred tax assets are predominantly attributable to capital allowances available to the UK subsidiaries as the result of the acquisitions made by the Company in the years ended 31 December 1999 and 2000. Although such allowances may be used without any deadline, they can only be used in a given year up to 20% of the outstanding balance at the beginning of that year.
The recognition of a deferred tax asset corresponding to the amount of capital allowances the Company projected to use over the four-year period ending 31 December 2013 to offset projected taxable profit to be made by its UK subsidiaries over such period, using the tax rate that was expected to apply to the period when the deferred tax asset would be expected to be realized (i.e. 28%) resulted in the recognition of a deferred tax asset of 2,011 as at 31 December 2009 and of corresponding deferred tax benefits amounting to 259 and 39 in the quarter and the year ended 31 December 2009, respectively (compared with charges amounting to 328 and 654 in the quarter and the year ended 31 December 2008, respectively.

Deferred tax liability arising from the capitalization of developments costs
The recognition of a deferred tax liability corresponding to the accumulated amount of development costs capitalized in accordance with applicable provisions of IAS 38, net of applicable amortization, using the tax rate that is expected to apply to the period when the deferred tax liability is expected to be settled (i.e. 28%) resulted in the recognition of a deferred tax liability of 1,287 at 31 December 2009, and corresponding deferred tax charge amounting to 3 and 130 in the quarter and the year ended 31 December 2009, respectively (compared with charges amounting to 100 and 280 in the quarter and the year ended 31 December 2008, respectively).

- Unrecognized deferred tax assets
The amount of capital allowances which were available to the Company's UK subsidiaries at 31 December 2009, but were not projected to be used in the four-year period ending 31 December 2013, and therefore did not result in the recognition of a deferred tax asset at 31 December 2009, amounted to 10,490 at such date.
Had a deferred tax asset been recognized with regards to such portion of available capital allowances at 31 December 2009, since these allowances would only be used after 1 January 2014, the applicable tax rate at the time they would be used to offset taxable profit was assumed to be 28%: the corresponding additional deferred tax asset would amount to 2,937 at 31 December 2009, compared with an additional asset of 2,193 at 31 December 2008, using the same tax rate of 28%.

(d) Share-based compensation expense

(i) Share and share options grants made in the year ended 31 December 2009

- Share option grants made in the year ended 31 December 2009
No grant of share options was made in the year ended 31 December 2009.

- Share grants made in the year ended 31 December 2009
On 29 July 2009, a total of 24,750 shares were provisionally granted to certain employees of the Company at no cost to them.
These shares will be finally granted at the end of the four-year vesting period starting on provisional grant date provided that the recipients of such grant have been employed by one of the Company's entities at all times during such vesting period.

(ii) Share-based compensation expense analysis

In thousands of euros	Fourth quarter 2009 Unaudited figures	Fourth quarter 2008 Unaudited figures	Year ended 31 Dec. 2009 Unaudited figures	Year ended 31 Dec. 2008
Attributable to share option grants	22	29	97	48
Attributable to share grants	3	50	5	227
Effect of Mr. Freidah's resignation	0	0	0	(81)
Total share-based compensation expense	25	79	102	194

NOTE 5: UNUSUAL, ABNORMAL AND INFREQUENT ITEMS OF EXPENSE

In accordance with provisions of paragraph 28 of the IASB Framework and paragraphs 97 & 98 of IAS 1 (revised), when material, the nature and amount of unusual, abnormal and infrequent items of income and expense have to be separately disclosed to enhance the predictive value of the consolidated statement of income. Below is an analysis of unusual, abnormal and infrequent items of expense which recorded under the caption selling, general and administrative expenses in the quarters and the years ended 31 December 2009 and 2008, respectively:

In thousands of euros	Fourth quarter 2009 Unaudited figures	Fourth quarter 2008 Unaudited figures	Year ended 31 Dec. 2009 Unaudited figures	Year ended 31 Dec. 2008
Staff redundancy expenses	0	0	0	225
Former CEO termination costs	0	0	0	117
Current CEO search & hiring costs	0	3	0	139
Changes in senior management team	123	0	137	0
Total unusual, abnormal and infrequent items of expense	123	3	137	481

Costs reported for changes in the Company's senior management team in the year ended 31 December 2009 include fees paid to recruitment agencies for the search and hiring of suitable candidates for senior management positions as well as costs incurred with the termination of certain employment agreements during that year.

NOTE 6: NET FINANCING GAINS (LOSSES)

In thousands of euros	Fourth quarter 2009 Unaudited figures	Fourth quarter 2008 Unaudited figures	Year ended 31 Dec. 2009 Unaudited figures	Year ended 31 Dec. 2008
Interest income	3	28	16	128
Interest expenses	0	0	0	0
Net interest income	3	28	16	128
Gains (losses) on transactions and balance sheet caption revaluations	13	218	(128)	392
Gains (losses) on foreign currency exchange option or forward contracts	15	48	34	1
Net foreign exchange gains (losses)	28	266	(94)	393
Net financing gains (losses)	31	294	(78)	521

NOTE 7: INCOME TAX EXPENSE

(a) Current income tax expense

The Company recorded a current income tax benefit amounting to 85 in the quarter ended 31 December 2009, compared with a current income tax expense of 116 in the quarter ended 31 December 2008.

This resulted in a current income tax expense amounting to 9 in the year ended 31 December 2009, compared with a current income tax expense of 196 in the year ended 31 December 2008.

(b) Deferred income tax expense

The Company recorded a deferred tax benefit amounting to 212 in the quarter ended 31 December 2009, compared with a deferred tax expense of 324 in the quarter ended 31 December 2008.

This resulted in a deferred tax expense amounting to 176 in the year ended 31 December 2009, compared with a deferred tax expense of 803 in the year ended 31 December 2008.

Below is an analysis of the deferred tax expense (benefit) reported in the quarters and the years ended 31 December 2009 and 2008, respectively:

In thousands of euros	Fourth quarter 2009 Unaudited figures	Fourth quarter 2008 Unaudited figures	Year ended 31 Dec. 2009 Unaudited figures	Year ended 31 Dec. 2008
Arising from the capitalisation of development expenses (note 4b)	67	143	338	474
Arising from the amortisation of development expenses (note 4b)	(64)	(43)	(208)	(186)
Arising from the recognition of capital allowances (note 4c)	(259)	328	(39)	654
Other items	44	(104)	85	(139)
Total deferred tax expense(benefit)	(212)	324	176	803

(c) Reconciliation of the effective tax expense (benefit)

In thousands of euros	Fourth quarter 2009 Unaudited figures	Fourth quarter 2008 Unaudited figures	Year ended 31 Dec. 2009 Unaudited figures	Year ended 31 Dec. 2008
Profit (loss) before income tax	(435)	237	(1,421)	434
Income tax expense (benefit) using the statutory rate of 33.33%	(146)	79	(474)	145
Income tax expense (benefit) attributable to:				
- Effect of recognition or utilisation of capital allowances	(259)	328	(39)	654
- Effect of differences of tax rates in foreign jurisdictions	(72)	(51)	104	(89)
- Effect of share-based compensation expenses	8	26	34	65
- Unrecognized tax losses	158	46	543	133
- Change in UK statutory tax rate	0	0	0	(8)
- Other items	14	12	17	99
Total income tax expense (benefit)	(297)	440	185	999

NOTE 8: EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share are calculated by dividing the profit attributable to shareholders for a period by the weighted average number of ordinary shares outstanding during that period.

(i) Computation for the quarters ended 31 December

Unaudited figures	2009	2008
Number of ordinary shares outstanding at 1 October	10,115,813	10,150,813
Effect of the issue of new shares in the quarter	0	0
Effect of the repurchase of shares in the quarter	0	(27,228)
Weighted average number of ordinary shares outstanding in the quarters ended 31 December	10,115,813	10,123,585

(ii) Computation for the years ended 31 December

Unaudited figures	2009	2008
Number of ordinary shares outstanding at 1 January	10,115,813	10,160,813
Effect of the issue of new shares in the year	0	0
Effect of the repurchase of shares in the year	0	(9,413)
Weighted average number of ordinary shares outstanding in the years ended 31 December	10,115,813	10,151,400

(b) Diluted earnings per share

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The Company has only one category of dilutive potential ordinary shares: share options. Contingently issuable shares (i.e. ordinary shares issuable for little or no cash or other consideration upon the satisfaction of specified conditions in a contingent share agreement) are not included in the calculation of diluted earnings per share until the conditions are satisfied: this was not the case at either 31 December 2009 or 2008.

The calculation is performed for the share options to determine the number of shares that could have been acquired at fair value (determined as the average market price of the Company’s shares over the period for which the computation is performed) based on the monetary value of the subscription rights attached to outstanding share options.

The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

(i) Computation for the quarters ended 31 December

Unaudited figures	2009	2008
Weighted average number of ordinary shares outstanding in the quarters ended 31 December	10,115,813	10,123,585
Adjustment for dilutive share options	0	0
Weighted average number of ordinary shares for diluted EPS computation in the quarters ended 31 December	10,115,813	10,123,585

(ii) Computation for the years ended 31 December

Unaudited figures	2009	2008
Weighted average number of ordinary shares outstanding in the years ended 31 December	10,115,813	10,151,400
Adjustment for dilutive share options	0	0
Weighted average number of ordinary shares for diluted EPS computation in the years ended 31 December	10,115,813	10,151,400

NOTE 9: SHARE CAPITAL AND SHARE PREMIUM

(a) Share capital
The total number of outstanding, fully paid, ordinary shares of the Company, each of par value of Euro 0.40, was 10,289,781 as at 31 December 2009 and 2008.

(b) Share premium
The expense which was incurred in relation with the Company's share-based remuneration plans in the year ended 31 December 2009 and was offset against the share premium during that period amounted to 1 (compared with an amount of 44 in the year ended 31 December 2008).

NOTE 10: REPURCHASE OF OWN SHARES
No shares were repurchased by the Company in the quarter or the year ended 31 December 2009, respectively, compared with 35,000 and 45,000 shares in the quarter and the year ended 31 December 2008, respectively, for respective repurchase values of 51 and 66.
The aggregate number of own shares held by the Company at 31 December 2009 was 173,968, for a total repurchase value of 1,246.

NOTE 11: SEGMENT REPORTING

(a) Identification of operating and reportable segments
Management has determined the operating segments based on the reports reviewed by the Company's CEO that are used for deciding how to allocate resources and also in assessing both operating and financial performance. The CEO assesses performance of operating segments based on their respective gross margin contribution.
Both segments derive their revenue principally from the development and sale of software products and/or solutions, including related services such as customization, implementation, training, as well as support and maintenance.

(b) Sales and gross profit by business segment

(i) Quarter ended 31 December 2009

In thousands of euros Unaudited figures	Print segment	eDoc segment	Unallocated	Total
Total segment sales	1,782	431	0	2,213
Inter-segment sales	0	0	0	0
Sales from external customers	1,782	431	0	2,213
Cost of sales	(72)	(23)	(11)	(106)
Gross profit	1,710	408	(11)	2,107

(ii) Quarter ended 31 December 2008

In thousands of euros Unaudited figures	Print segment	eDoc segment	Unallocated	Total
Total segment sales	2,377	344	0	2,721
Inter-segment sales	0	0	0	0
Sales from external customers	2,377	344	0	2,721
Cost of sales	(54)	(35)	(15)	(104)
Gross profit	2,323	309	(15)	2,617

(iii) Year ended 31 December 2009

In thousands of euros Unaudited figures	Print segment	eDoc segment	Unallocated	Total
Total segment sales	7,598	1,764	0	9,362
Inter-segment sales	0	0	0	0
Sales from external customers	7,598	1,764	0	9,362
Cost of sales	(173)	(95)	(45)	(313)
Gross profit	7,425	1,669	(45)	9,049

(iv) Year ended 31 December 2008

In thousands of euros	Print segment	eDoc segment	Unallocated	Total
Total segment sales	9,447	1,721	0	11,168
Inter-segment sales	0	0	0	0
Sales from external customers	9,447	1,721	0	11,168
Cost of sales	(257)	(113)	(62)	(432)
Gross profit	9,190	1,608	(62)	10,736

(c) Reconciliation of gross profit to profit (loss) before income tax

In thousands of euros	Fourth quarter 2009 Unaudited figures	Fourth quarter 2008 Unaudited figures	Year ended 31 Dec. 2009 Unaudited figures	Year ended 31 Dec. 2008
Gross profit for reportable segments	2,107	2,617	9,049	10,736
Selling, general & admin. expenses	(1,251)	(1,509)	(5,386)	(5,767)
Research and development expenses	(1,322)	(1,165)	(5,006)	(5,056)
Net financing gains (losses)	31	294	(78)	521
Profit (loss) before income tax	(435)	237	(1,421)	434

(d) Reconciliation of assets and liabilities

(i) As at 31 December 2009

In thousands of euros Unaudited figures	Print segment	eDoc segment	Unallocated	Total
Non-current assets	9,252	1,853	1,497	12,602
Current assets	1,505	737	3,908	6,150
Total assets	10,757	2,590	5,405	18,752
Non-current liabilities	0	0	2	2
Current liabilities	873	481	1,030	2,384
Total liabilities	873	481	1,032	2,386

(ii) As at 31 December 2008

In thousands of euros	Print segment	eDoc segment	Unallocated	Total
Non-current assets	8,700	1,171	1,703	11,574
Current assets	1,962	989	5,205	8,156
Total assets	10,662	2,160	6,908	19,730
Non-current liabilities	0	0	2	2
Current liabilities	892	727	1,339	2,958
Total liabilities	892	727	1,341	2,960

NOTE 12: RELATED PARTY TRANSACTIONS

The Company has a related party relationship with its subsidiaries (see note 13) as well as with its directors and executive officers.

(a) With the Company’s directors

The amount of board fees to be allocated among the Company’s directors in the current year is 60 (compared with 75 in the year ended 31 December 2008).
The corresponding expenses recognized as part of the selling, general and administrative expenses in the quarter and the year ended 31 December 2009 were 15 and 60, respectively (compared with corresponding expenses of 19 and 75 in the quarter and the year ended 31 December 2008, respectively).

(b) With the Company’s executive officers

(i) Salaries and other short-term benefits

The three executive directors received the following salaries and other short-term benefits (notably year-end bonus and pension scheme contributions) from the Company in the quarters and the years ended 31 December 2009 and 2008, respectively:

In thousands of euros	Fourth quarter 2009 Unaudited figures	Fourth quarter 2008 Unaudited figures	Year ended 31 Dec. 2009 Unaudited figures	Year ended 31 Dec. 2008
Salaries	84	84	336	343
Other short-term benefits	45	54	57	61
Effect of the termination of Mr. Freidah’s employment agreements	0	0	0	117
Total salaries and other short-term benefits	129	138	393	521

(ii) Share-based compensation
Executive officers are entitled to participate in the Company’s share option and share grant schemes.
No grants of share options or shares at no cost to the recipient of such grant was made to any of the Company’s executive officers in either the quarter or the year ended 31 December 2009.

The portions of the share-based compensation expenses which were attributable to the Company’s executive officers and were recorded in the quarters and the years ended 31 December 2009 and 2008, respectively, were as follows:

In thousands of euros	Fourth quarter 2009 Unaudited figures	Fourth quarter 2008 Unaudited figures	Year ended 31 Dec. 2009 Unaudited figures	Year ended 31 Dec. 2008
Relating to share option grants	18	22	72	28
Relating to share grants	0	5	0	40
Effect of Mr. Freidah’s termination	0	0	0	(81)
Total share-based compensation expenses attributable to officers	18	27	72	(13)

NOTE 13: SUBSIDIARIES
These condensed consolidated financial statements for the quarters and the years ended 31 December 2009 and 2008, respectively, include the accounts of the following companies:

	Country of incorporation	% of ownership 2009	% of ownership 2008
Global Graphics (UK) Limited	United Kingdom	100	100
Global Graphics Software Limited	United Kingdom	100	100
Jaws Systems Limited	United Kingdom	100	100
Global Graphics Software Incorporated	United States	100	100
Global Graphics Kabushiki Kaisha	Japan	100	100
Global Graphics Software (India) Private Limited	India	100	100

GLOBAL GRAPHICS SA AND SUBSIDIARIES
MANAGEMENT ADJUSTED FINANCIAL INFORMATION
ADJUSTED OPERATING LOSS COMPUTATION
Unaudited figures

In thousands of euros	Fourth quarter 2009	Fourth quarter 2008	Year ended 31 Dec. 2009	Year ended 31 Dec. 2008
Reported operating loss	(466)	(57)	(1,344)	(87)
Add back (deduct):				
Amort. of certain intangible assets	0	29	29	124
Share-based remuneration expense	25	79	102	194
Effect of the capitalization of development expenses (note 4b)	(239)	(512)	(1,208)	(1,663)
Amort. of capitalized development expenses (note 4b)	229	153	744	654
Unusual items of expense (note 5)	123	3	137	481
Total adjustments to reported operating loss	138	(248)	(196)	(210)
Adjusted operating loss	(328)	(305)	(1,540)	(297)
In % of the period's sales	-14.8%	-11.2%	-16.4%	-2.7%

The Company provides information prepared in accordance with and required by IFRSs, but it believes that evaluating its ongoing results may not be as useful if an investor is limited to reviewing only IFRS financial measures.
Accordingly, the Company uses adjusted financial information to evaluate its ongoing operations as well as for internal planning and forecasting purposes.
The Company's management does not itself, nor does it suggest that investors should, consider such adjusted financial measures in isolation from, or as a substitute for, financial information prepared in accordance with IFRSs.
The Company presents such adjusted financial measures in reporting its financial results to provide investors with an additional tool to evaluate the Company's results in a manner that focuses on what the Company believes to be its ongoing business operations.
The Company's management believes that the inclusion of adjusted financial measures provides consistency and comparability with past reports of financial information and has historically provided comparability to similar companies in the Company's industry, many of which present the same or similar adjusted financial measures to investors.
When the Company uses such an adjusted financial measure, it provides a reconciliation of the adjusted financial measure to the most closely applicable financial measure required by IFRSs.
Investors are encouraged to review the related IFRS financial measures and the reconciliation of these adjusted financial measures to the most directly comparable IFRS financial measures as detailed above.

GLOBAL GRAPHICS SA AND SUBSIDIARIES
MANAGEMENT ADJUSTED FINANCIAL INFORMATION
ADJUSTED PRE-TAX PROFIT (LOSS) COMPUTATION
Unaudited figures

In thousands of euros Except share data in euro	Fourth quarter 2009	Fourth quarter 2008	Year ended 31 Dec. 2009	Year ended 31 Dec. 2008
Reported pre-tax profit (loss)	(435)	237	(1,421)	434
Add back (deduct):				
Amort. of certain intangible assets	0	29	29	124
Share-based remuneration expense	25	79	102	194
Effect of the capitalization of development expenses (note 4b)	(239)	(512)	(1,208)	(1,663)
Amort. of capitalized development expenses (note 4b)	229	153	744	654
Unusual items of expense (note 5)	123	3	137	481
Total adjustments to reported pre-tax profit (loss)	138	(248)	(196)	(210)
Adjusted pre-tax profit (loss)	(297)	(11)	(1,617)	224
Adjusted pre-tax profit (loss) per share	(0.03)	(0.00)	(0.16)	0.02

(*) Adjusted pre-tax profit (loss) per share is computed using the weighted average number of ordinary shares outstanding during the respective periods, i.e. 10,115,813 for both the quarter and the year ended 31 December 2009, and 10,123,585 and 10,151,400 shares for the quarter and the year ended 31 December 2008, respectively.

The Company provides information prepared in accordance with and required by IFRSs, but it believes that evaluating its ongoing results may not be as useful if an investor is limited to reviewing only IFRS financial measures.
Accordingly, the Company uses adjusted financial information to evaluate its ongoing operations as well as for internal planning and forecasting purposes.
The Company's management does not itself, nor does it suggest that investors should, consider such adjusted financial measures in isolation from, or as a substitute for, financial information prepared in accordance with IFRSs.
The Company presents such adjusted financial measures in reporting its financial results to provide investors with an additional tool to evaluate the Company's results in a manner that focuses on what the Company believes to be its ongoing business operations.
The Company's management believes that the inclusion of adjusted financial measures provides consistency and comparability with past reports of financial information and has historically provided comparability to similar companies in the Company's industry, many of which present the same or similar adjusted financial measures to investors.
When the Company uses such an adjusted financial measure, it provides a reconciliation of the adjusted financial measure to the most closely applicable financial measure required by IFRSs.
Investors are encouraged to review the related IFRS financial measures and the reconciliation of these adjusted financial measures to the most directly comparable IFRS financial measures as detailed above.

GLOBAL GRAPHICS SA AND SUBSIDIARIES
MANAGEMENT ADJUSTED FINANCIAL INFORMATION
ADJUSTED NET PROFIT (LOSS) COMPUTATION
Unaudited figures

In thousands of euros Except share data in euro	Fourth quarter 2009	Fourth quarter 2008	Year ended 31 Dec. 2009	Year ended 31 Dec. 2008
Reported net loss	(138)	(203)	(1,606)	(565)
Add back (deduct):				
Amort. of certain intangible assets	0	29	29	124
Share-based remuneration expense	25	79	102	194
Net effect of the capitalization of development expenses (note 4b)	(10)	(359)	(464)	(1,009)
Unusual items of expense (note 5)	123	3	137	481
Tax effect of above-mentioned adjustments	3	95	130	177
Effect of the change in the UK statutory tax rate on 1 April 2008	0	0	0	(8)
Total adjustments to reported net loss	141	(153)	(66)	(41)
Adjusted net profit (loss)	3	(356)	(1,672)	(606)
Adjusted net profit (loss) per share	0.00	(0.04)	(0.17)	(0.06)

(*) Adjusted net profit (loss) per share is computed using the weighted average number of ordinary shares outstanding during the respective periods, i.e. 10,115,813 for both the quarter and the year ended 31 December 2009, and 10,123,585 and 10,151,400 shares for the quarter and the year ended 31 December 2008, respectively.

The Company provides information prepared in accordance with and required by IFRSs, but it believes that evaluating its ongoing results may not be as useful if an investor is limited to reviewing only IFRS financial measures.
Accordingly, the Company uses adjusted financial information to evaluate its ongoing operations as well as for internal planning and forecasting purposes.
The Company’s management does not itself, nor does it suggest that investors should, consider such adjusted financial measures in isolation from, or as a substitute for, financial information prepared in accordance with IFRSs.
The Company presents such adjusted financial measures in reporting its financial results to provide investors with an additional tool to evaluate the Company’s results in a manner that focuses on what the Company believes to be its ongoing business operations.
The Company’s management believes that the inclusion of adjusted financial measures provides consistency and comparability with past reports of financial information and has historically provided comparability to similar companies in the Company’s industry, many of which present the same or similar adjusted financial measures to investors.
When the Company uses such an adjusted financial measure, it provides a reconciliation of the adjusted financial measure to the most closely applicable financial measure required by IFRSs.
Investors are encouraged to review the related IFRS financial measures and the reconciliation of these adjusted financial measures to the most directly comparable IFRS financial measures as detailed above.

GLOBAL GRAPHICS SA AND SUBSIDIARIES
CONDENSED MANAGEMENT REPORT OF THE COMPANY'S BOARD OF DIRECTORS
FOR THE QUARTER AND THE YEAR ENDED 31 DECEMBER 2009
Translation of the French language original

Pursuant to the transposition under article L.451-1-2 of the French Monetary and Financial Code of the EU Directive 2004/109/CE of the European Parliament and of the Council of 15 December 2004 (the 'Transparency Directive'), we present to you the condensed management report of the Parent's Board of Directors for the quarter and the year ended 31 December 2009.
It was authorized for issue by the Parent's Board of Directors on 9 February 2010.

NOTE 1: ORGANIZATION OF THE GLOBAL GRAPHICS GROUP OF COMPANIES (THE 'COMPANY')

(a) Structure of the Company at 31 December 2009
For further details on this, please refer to note 13 to the Company's condensed consolidated financial statements for the quarter and the year ended 31 December 2009.

(b) Changes in the Company's structure in the year ended 31 December 2009
No change occurred in the Company's structure in either the quarter or the year ended 31 December 2009.

(c) Changes in the Company's structure since 1 January 2010
No change has occurred in the Company's structure since 1 January 2010.

NOTE 2: MANAGEMENT DISCUSSION OF KEY FIGURES
The Company prepares its condensed consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) and related interpretations issued by the International Accounting Standards Board, as adopted by the European Union.
Amounts indicated hereafter are presented in euros, rounded to the nearest thousand.

(a) Fourth quarter 2009

(i) Consolidated sales
Sales were 2,213 in the quarter ended 31 December 2009, compared with 2,721 in the fourth quarter of 2008, or a sequential decrease of 18.7% at current exchange rates.
Approximately 78.0% of the Company's sales made in the quarter ended 31 December 2009 (compared with 85.1% of sales made in the fourth quarter of 2008) were denominated in US dollars, which decreased versus the euro (which is the Company's reporting currency) as the average euro/US dollar rate was 1.473 in the quarter ended 31 December 2009, while it was 1.314 in the fourth quarter of 2008, or a sequential decrease of 10.8%. At constant exchange rates, sales made in the quarter ended 31 December 2009 would have amounted to approximately 2,439, showing a decrease of 10.4% over the figure reported for sales in the fourth quarter of 2008.

Sales made in the Print segment were 1,782 in the quarter ended 31 December 2009, and showed a decrease of 25.0% at current exchange rates and of 17.1% at constant exchange rates over the 2,377 figure reported for sales made in the same segment of the Company's business in the fourth quarter of 2008.

Sales made in the graphic arts market were 723 in the quarter ended 31 December 2009 and showed a decrease of 6.1% at current exchange rates but an increase of 4.3% at constant exchange rates over the 770 figure reported for sales made in that market in the fourth quarter of 2008, whereas sales made in the digital printing market were 1,059 in the quarter ended 31 December 2009 and decreased 34.1% at current exchange rates and 27.4% at constant exchange rates over the 1,607 figure reported for sales made in that market in the fourth quarter of 2008. Sales made in the eDoc segment were 431 in the quarter ended 31 December 2009, and showed an increase of 25.3% at current exchange rates and of 36.3% at constant exchange rates over the 344 figure reported for sales made in the same segment of the Company's business in the fourth quarter of 2008.

(ii) Consolidated performance

Operating loss

The Company reported an operating loss of 466 in the quarter ended 31 December 2009 (or -21.1% of the quarter's sales), compared with an operating loss of 57 in the fourth quarter of 2008 (-2.1% of that quarter's sales), or an unfavorable, sequential variance of 409, which can be analyzed as follows:

- sales decreased by 508 (see note 2a (i) above);
- cost of sales was 106 in the quarter ended 31 December 2009 (4.8% of the quarter's sales), compared with 104 in the fourth quarter of 2008 (3.8% of that quarter's sales), or an unfavorable variance of 2;
- selling, general and administrative expenses totaled 1,251 in the quarter ended 31 December 2009 (56.5% of the quarter's sales), showing a decrease of 258 (i.e. of 17.1%) over the 1,509 figure reported for the fourth quarter of 2008 (55.5% of that quarter's sales), and included non-recurring expenses for 123;
- research & development expenses totaled 1,322 in the quarter ended 31 December 2009 (59.7% of the quarter's sales) showing a sequential increase of 157 (i.e. of 13.5%) over the 1,165 figure reported for the fourth quarter of 2008 (42.8% of that quarter's sales), after effect (net of amortization) of the capitalization of eligible development expenses relating to the three development projects for which all criteria for such capitalization were met, which was 10 in the quarter ended 31 December 2009 (compared with a net effect of 359 in the fourth quarter of 2008).

Loss before income tax

The Company reported a loss before income tax of 435 in the quarter ended 31 December 2009 (-19.7% of the quarter's sales), compared with a profit before income tax of 237 in the fourth quarter of 2008 (8.7% of that quarter's sales), or an unfavorable variance of 672 which results from the combination of:

- the sequential increase of the operating loss as discussed above for 409;
- the decrease in interest income (net of interest expenses) of 25 over the 28 figure reported for net interest income in the fourth quarter of 2008, predominantly due to the sequential decrease in market interest rates; and
- a less favorable effect of foreign currency exchange differences, which were net gains of 28 in the quarter ended 31 December 2009, compared with net gains of 266 in the fourth quarter of 2008, or an unfavorable variance of 238.

Net loss

The Company reported a net loss of 138 in the quarter ended 31 December 2009 (or a net loss of Euro 0.01 per share) after giving effect to an income tax benefit of 297 (including a deferred tax benefit of 212), compared with a net loss of 203 in the fourth quarter of 2008 (or a net loss of Euro 0.02 per share).

(b) Year ended 31 December 2009

(i) Consolidated sales

Sales were 9,362 in the year ended 31 December 2009, compared with 11,168 in the year ended 31 December 2008, or a sequential decrease of 16.2% at current exchange rates.

Approximately 77.9% of the Company's sales made in the year ended 31 December 2009 (compared with 74.9% of sales made in the year ended 31 December 2008) were denominated in US dollars, which substantially increased versus the Euro as the average Euro/US dollar rate was 1.384 in the year ended 31 December 2009, while it was 1.463 in the year ended 31 December 2008, or a sequential increase of 5.7%.

At constant exchange rates, sales made in the year ended 31 December 2009 would amount to approximately 8,893, showing a decrease of 20.4% over the figure reported for sales in the year ended 31 December 2008.

Sales made in the Print segment were 7,598 in the year ended 31 December 2009, and showed a decrease of 19.6% at current exchange rates, and of 23.5% at constant exchange rates, over the 9,447 figure reported for sales made in the same segment of the Company's business in the year ended 31 December 2008.

Sales made in the graphic arts market were 3,119 in the year ended 31 December 2009 and decreased 16.8% at current exchange rates and 21.5% at constant exchange rates over the 3,748 figure reported for sales made in that market in the year ended 31 December 2008, whereas sales made in the digital printing market were 4,479 in the year ended 31 December 2009 and decreased 21.4% at current exchange rates and 24.7% at constant exchange rates over the 5,699 figure reported for sales made in that market in the year ended 31 December 2008.

Sales made in the eDoc segment were 1,764 in the year ended 31 December 2009, and showed an increase of 2.5% at current exchange rates but a decrease of 3.4% at constant exchange rates, over the 1,721 figure reported for sales made in the same segment of the Company's business in the year ended 31 December 2008.

(ii) Consolidated performance

Operating loss

The Company reported an operating loss of 1,343 in the year ended 31 December 2009 (or -14.3% of 2009 sales) compared with an operating loss of 87 (-0.8% of 2008 sales) in the year ended 31 December 2008, or an unfavorable variance of 1,256, which can be analyzed as follows:

- sales decreased by 1,806 (see note 2b (i) above);
- cost of sales was 313 in the year ended 31 December 2009 (3.3% of 2009 sales) compared with 432 in the year ended 31 December 2008 (3.9% of 2008 sales), or a favorable variance of 119;
- selling, general and administrative expenses totaled 5,386 in the year ended 31 December 2009 (57.5% of 2009 sales), showing a decrease of 381 (or 6.6%) over the 5,767 figure reported for these expenses in the year ended 31 December 2008 (51.6% of 2008 sales). Included in 2009 expenses were non-recurring expenses for 137, which relate to changes made to the Company's senior management team in the fourth quarter of 2009;
- research and development expenses were 5,006 in the year ended 31 December 2009 (53.5% of 2009 sales) showing a sequential decrease of 50 (or 1.0%) over the 5,056 figure reported for these expenses in the year ended 31 December 2008 (45.3% of 2008 sales), after effect (net of amortization) of the capitalization of eligible development expenses relating to the three development projects for which all criteria for such capitalization were met, which totaled 464 in the year ended 31 December 2009 (compared with a net effect of 1,009 in the year ended 31 December 2008).

Loss before income tax

The Company reported a loss before income tax of 1,421 in the year ended 31 December 2009 (-15.2% of 2009 sales), compared with a profit before income tax of 434 in the year ended 31 December 2008 (3.9% of 2008 sales), or an unfavorable variance of 1,855, which results from the combination of:

- the increase of the operating loss as discussed above for 1,256;
- the decrease in interest income (net of interest expenses) of 112 over the amount reported for 2008, where net interest income amounted to 128; and
- the unfavorable effect of foreign currency exchange differences, which were net losses of 94 in the year ended 31 December 2009, compared with net gains of 393 in the year ended 31 December 2008, or an unfavorable variance of 487.

Net loss

The Company reported a net loss of 1,606 in the year ended 31 December 2009 (i.e. a net loss of Euro 0.16 per share), after giving effect to a tax charge of 185 (including a deferred tax charge of 176), compared with a net loss of 565 in the year ended 31 December 2008 (i.e. a net loss of Euro 0.06 per share).

NOTE 3: MANAGEMENT’S COMMENTS ON THE COMPANY’S PERFORMANCE

(a) Salient features for the year ended 31 December 2009

(i) Operational highlights

2009 was a difficult trading year for most of the companies in our industry. 2009 sales showed a decrease of 16% over 2008 sales; even though this is a decrease, it is better than other industry participants with whom we are competing.

We took the decision to continue with new strategic investments through 2009 and successfully launched new products and solutions in both segments of the Company’s business, in the Print segment for both production printing and office printing, as well as in the eDoc segment for knowledge worker applications, as detailed hereafter.

Production printing

Within production printing, we are supporting OEMs in traditional offset, wide format, and high-end digital printing. The release of v8.1 of our RIP was really successful in the traditional offset printing market where our OEMs were suffering from the effect of the global recession since they were able to offer significantly increased value and performance to their customers with this release. On the digital printing side, we signed two new customers during the year, Miyakoshi in Japan, and the IHPS division of HP which started shipping into test sites in 2009.

Office printing

In 2009, we released our upgraded embedded solution for the office printing market including full support for PCL. Evaluations of this solution are still being made by various printer manufacturers, and the resounding feedback is that our solution is generally faster, better quality and provides greater differentiation than the solution they currently use. One of these evaluations resulted in a formal contract signed in the last quarter of 2009, with corresponding first product shipments expected in August 2010.

Knowledge worker applications

In May, we shipped our products under the gDoc brand name. These were initially shipped in a soft launch phase where we were able to gain customer feedback on both the nature of features and the performance required to support a global enterprise market.

With this feedback, we have created our enterprise-ready version which started shipping in early December 2009; since then we had over 200,000 downloads of that product.
We also adopted a 'freemium' strategy (allowing a download of gDoc creator for free) to gain widespread recognition and distribution of our gDoc products.

(ii) Financial highlights

Financial performance
Sales in the year ended 31 December 2009 were affected by the continuing effect of the economic slowdown we noted when we reported annual results for the year ended 31 December 2008 as well as interim results for the first three quarters of the year ended 31 December 2009.
As a result, 2009 sales amounted to 9,362 and decreased 16.2% below the 11,168 figure reported for sales in the year ended 31 December 2008, at current exchange rates.
Sales made in the Print segment of the Company's business in the year ended 31 December 2009 continued to be slow, notably those made in the graphics arts market in the second and third quarters of 2009, resulting in a decrease of 23.5% at constant exchange rates over sales made in that segment in the year ended 31 December 2008.
Sales in the eDoc segment in the year ended 31 December 2009 decreased 3.4% at constant exchange rates over sales made in that segment in the year ended 31 December 2008, notably because of our decision to soft launch gDoc Fusion in May and to delay its formal launch to 1 December 2009.

Operating expenses were 10,392 in the year ended 31 December 2009, compared with 10,823 in the year ended 31 December 2008, after effect of non-recurring expenses which amounted to 137 and 481 in the years ended 31 December 2009 and 2008, respectively.

The Company reported an adjusted operating loss of 1,540 in the year ended 31 December 2009 (or -16.4% of 2009 sales), compared with an adjusted operating loss of 297 in the year ended 31 December 2008 (-2.7% of 2008 sales).

The Company reported an adjusted pre-tax loss of 1,617 (or an adjusted pre-tax loss of Euro 0.16 per share) in the year ended 31 December 2009, compared with an adjusted pre-tax profit of 224 (or an adjusted pre-tax profit of Euro 0.02 per share) in the year ended 31 December 2008.

The Company reported an adjusted net loss of 1,672 (or an adjusted net loss of Euro 0.17 per share) in the year ended 31 December 2009, compared with an adjusted net loss of 606 (or an adjusted net loss of Euro 0.06) in the year ended 31 December 2008.

Cash flows for the year ended 31 December 2009
Net cash flow used by the Company's operations was 105 in the year ended 31 December 2009 (or -1.1% of 2009 sales), compared with net cash flow provided by the Company's operations of 2,696 in the year ended 31 December 2008 (or 24.1% of 2008 sales).
Cash balances available at 1 January 2009 (which amounted to 4,482), allowed the Company to fund these operating requirements as well as its capital expenditures incurred in the year ended 31 December 2009, either on property, plant and equipment for 169, or those resulting from the capitalization of development expenses (see note 2b above) which totaled 1,208 in the year ended 31 December 2009, and to close the period with a net cash position of 3,144 as at 31 December 2009.

Effect of exchange rate fluctuations on cash held at 31 December 2009

Cash balances which are denominated in other currencies than the Company's reporting currency (i.e. those denominated in US dollars, British pounds and Japanese yen) amount to 2,784 at 31 December 2009, as shown in the table below, compared to 2,662 at 31 December 2008, or a favorable variance of 122 over the year ended 31 December 2009, mostly due to a stronger British pound with the Euro at 31 December 2009 than at 1 January 2009:

Currency	Total currency 31 Dec. 2009	Euro value at 31 Dec. 2009	Euro value at 31 Dec. 2008	Variance
Euro	360	360	360	0
US dollars	470	328	333	(5)
British pounds	1,659	1,843	1,704	139
Japanese yens	62,747	475	492	(17)
Indian rupees	8,964	133	128	5
Other	5	5	5	0
		3,144	3,022	122
Total cash				

(b) Prospects for the current financial year

Production printing

This business does typically follow the general trend of the graphic arts market; we expect further contribution to 2010 sales made by new customers. We are also expecting additional customers with whom we are working closely to have contracts signed before the end of the current year.

Office printing

Based on our current pipeline of formal evaluations, and first shipments from the customer referred to in note 3a above, I anticipate several new customers will develop new products using our embedded solutions in 2010 and years beyond. I am very excited by our potential in this market segment, where we have a complete solution that has been validated by customers as giving them a truly competitive advantage.

Knowledge worker applications

In the last quarter of 2009, we invested to create a dedicated sales force in the US, which is now fully operational and working on converting customers of the free gDoc Creator application to the gDoc Fusion product, notably using a corporate license plan (CLP) approach for corporate customers.

We also invested in a comprehensive marketing program to generate new sales opportunities in selected English-speaking markets (the UK, the US, Australia, and India) as well as in Germany, that will continue into 2010 and beyond.

During 2010, we plan to further enhance gDoc Fusion.

I truly believe that the sustained development efforts for both segments of the Company's business, as well as the sales and marketing strategy designed for knowledge worker applications, will put Global Graphics in a strong competitive position, allowing it to unlock existing and future opportunities in the three market areas of our strategic focus.

NOTE 4: SIGNIFICANT OPERATIONAL AND FINANCIAL RISK FACTORS

(a) Significant operational risk factors

(i) Dependence on the graphic arts and digital print industries
The Company continues to derive a substantial portion of its revenues from software products and related services provided to the graphic arts and digital print industries. Accordingly, the Company’s future success significantly depends upon the continued demand for its products within such industries.
The Company believes that an important factor in its growth has been the substantial change in the graphics arts and digital print industries, as evidenced by continuing consolidation and technological innovation, notably the introduction of new Page Description Languages (PDLs) such as XPS, Microsoft’s recently introduced, fixed-document format. If this environment of change were to slow, the Company could experience reduced demand for its products in such industries.

(ii) Failure to manage a successful transition to new products and markets
Any delays or failures in developing new products, including upgrades of current products, and anticipating changing customer requirements or market conditions, may have a harmful impact on the Company’s sales and operating results.
The Company has historically derived a significant portion of its revenues from the sale of new and enhanced software products (such as Raster Imaging Processors or RIPs).
Additionally, the Company plans to continue to release numerous new product offerings and upgrade versions of its current software products, including the transition of its RIP product to new variants (e.g. host driver and embedded variants) and new operating systems releases, pursuant to the introduction of XPS, and in connection with the transition to new markets, such as those for its Electronic Document Library (EDL) technology or its range of gDoc products.
The Company’s inability to extend its core technologies into new applications and new platforms and to anticipate or respond to technological changes and customer or market requirements could affect market acceptance of its products and could cause a decline in the Company’s sales and results.

(iii) Inadequate protection of proprietary technology and intellectual property rights
The Company’s success is heavily dependent upon its proprietary technology. To protect its proprietary rights, the Company relies on a combination of patent, copyright, trade secret and trademark laws, as well as the early implementation and enforcement of non-disclosure and other contractual restrictions. As part of its confidentiality procedures, the Company enters into written non-disclosure agreements with its employees, prospective customers, OEMs and strategic partners and takes affirmative steps to limit access to, and distribution of, its software, intellectual property and other proprietary information.
Despite these efforts, in the event such agreements are not timely made, complied with or enforced, the Company may be unable to effectively protect its proprietary rights and the enforcement of its proprietary rights may be cost-prohibitive. Unauthorized parties may attempt to copy or otherwise obtain, distribute, or use the Company’s products or technology. Monitoring unauthorized use of the Company’s software products is difficult. Management of the Company cannot be certain that steps taken to prevent unauthorized use of the Company’s proprietary technology, particularly in countries where the laws may not protect proprietary rights as fully as in the European Union or the United States, will be effective.
The Company’s source code also is protected as a trade secret. However, from time to time, the Company licenses its source code to OEMs and partners, which subjects it to the risk of unauthorized use or misappropriation despite the contractual terms restricting disclosure, distribution, copying and use.

In addition, it may be possible for unauthorized parties to obtain, distribute, copy or use the Company's proprietary information or to reverse engineer its trade secrets.

The Company holds patents, and has patent applications pending, in the United States and in the EU. There may be no assurance that patents held by the Company will not be challenged, that patents will issue from the pending applications or that any claims allowed from existing or pending patents will be of sufficient scope or strength to provide efficient protection for the Company's intellectual property rights.

(iv) Costs of enforcing, acquiring and defending intellectual property rights

In connection with the enforcement of its own intellectual property rights, the acquisition of third party intellectual property rights or disputes relating to the validity or alleged infringement of third-party rights, including patent rights, the Company has been and may be in the future subject to claims, negotiations or protracted litigations.

Intellectual property disputes and litigation are typically very costly and can be disruptive to the Company's business operations by diverting the attention and energies of management and key technical personnel. Although the Company has successfully defended or resolved past litigation and disputes, it may not prevail in any future litigation and disputes.

Third-party intellectual property rights could subject the Company to significant expenditures, require the Company to enter into royalty and licensing agreements on unfavorable terms, prevent the Company from licensing certain of its products, cause disruption to the markets where the Company operates or require the Company to satisfy indemnification commitments with its customers including contractual provisions under various license arrangements any one of which could harm the Company's business.

(v) Fluctuating operating results and factors affecting operating results

As a result of a variety of factors discussed above, the Company's sales and operating results for a particular period are difficult to predict.

The Company's sales may grow at a slower rate than experienced in previous periods, and, in some periods, may decline.

Additionally, the Company periodically provides guidance on its future sales and results. Such guidance reflects a number of assumptions, including assumptions about product pricing and demand, seasonal trends, competitive factors, and adoption of new products or releases of existing products. If one or more of these assumptions proves incorrect, the Company's actual results may vary materially from those anticipated, estimated or projected.

(vi) Adverse economic conditions

The current worldwide economic downturn has reduced and is likely to continue to affect capital expenditures made by customers of the Company's customers' products, notably in the Print segment of its business. Reduced sales by the Company's customers hurt its business by reducing demand for its products. Moreover, if the Company's customers are not successful in generating sufficient sales or are precluded from securing financing, they may not be able to pay, or may delay payment of, amounts receivable by the Company and also modify, delay or cancel plans to purchase the Company's products, which will have an adverse effect on its sales.

In addition, the Company's operating expenses could increase due to, among other things, salary increases, resulting in a harmful effect on the Company's results and financial condition.

As noted in note 4 to the Company's condensed consolidated financial statements for the quarter and the year ended 31 December 2009, when preparing the Company's consolidated financial statements, management is required to make estimates and assumptions that affect amounts in these financial statements and accompanying notes, some of which are based on forecasts of future results. The current worldwide economic downturn and the resulting higher volatility increases the risk that the Company's actual results will differ materially from management forecasts, requiring adjustments in future consolidated financial statements.

(vii) Recruitment and retention of key personnel
An important part of the Company's future success depends on the continued service and availability of the Company's senior management, including its CEO and other members of the executive team. These individuals have acquired specialized knowledge and skills with respect to the Company. The loss of any of these individuals could harm the Company's business.
The Company's business is also dependent on its ability to attract, retain, and motivate talented, highly skilled personnel, notably in the development and technical support areas. Such personnel are in high demand and competition for their talents is intense.
Should the Company be unable to continue to successfully attract and retain key personnel, its business may be harmed.

(b) Significant financial risk factors
The Company's activities expose it to a variety of financial risks, notably foreign exchange risk, credit risk, liquidity risk and cash flow interest-rate risk.

(i) Foreign exchange risk
The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar ($) and the British pound. Foreign exchange risk arises from future commercial transactions, recognized assets (notably cash and trade receivables) and liabilities, as well as net investments in foreign operations.

To manage their foreign exchange risk arising from future commercial transactions, recognized assets and liabilities (i.e. which are denominated in a currency that is not the entity's functional currency), certain entities in the Company use foreign currency forward or option contracts transacted with high-credit-quality financial institutions after review and approval by the Company's Chief Financial Officer.

- Foreign currency options contracts
The Company entered into several foreign currency option contracts to mitigate its foreign currency exposure, with or without payment of an upfront premium, as the case may be, during the year ended 31 December 2009.
These contracts gave the Company the right, but not the obligation, to convert at respective maturity dates of these contracts in the year ending 31 December 2010, an amount of US dollars into euros or British pounds, as applicable, at a maximum rate (the 'strike price') assuming that, during the life of the corresponding contract, the exchange rate between the $ and the euro or the British pound, as applicable, was always higher than a minimum rate (the trigger rate). Should this trigger rate occur, the Company would be obliged to convert an amount of $ at the strike price at respective maturity dates of these contracts.

Such option contracts resulted in net exchange gains of 15 in the fourth quarter of 2009 (compared with net gains of 8 in the fourth quarter of 2008), and net gains of 34 in the year ended 31 December 2009 (compared with net gains of nil in the year ended 31 December 2008).

Foreign currency option contracts which were outstanding at 31 December 2009 were as follows:

Euro call/US dollar put options

Option contract expiry date	Nominal value of the contract in $	Option strike price in $	Option trigger price in $
15 March 2010	100,000	1.5000	1.4000
15 June 2010	100,000	1.5000	1.3750
15 September 2010	100,000	1.5000	1.3500
15 December 2010	100,000	1.5000	1.3250

British pound call/US dollar put options

Option contract expiry date	Nominal value of the contract in $	Option strike price in $	Option trigger price in $
24 February 2010	400,000	1.6200	1.5435
29 March 2010	400,000	1.6200	1.5435
28 April 2010	400,000	1.6200	1.5435
26 May 2010	400,000	1.6200	1.5435
28 June 2010	400,000	1.6200	1.5435
28 July 2010	400,000	1.6200	1.5435

- Foreign currency forward contracts

The Company did not enter into foreign currency forward contracts during the year ended 31 December 2009, which resulted in net gains of 40 and 1 in the quarter and the year ended 31 December 2008, respectively.

No foreign currency forward contracts were outstanding at 31 December 2009 or 2008.

In addition, the Company has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Company’s foreign operations in the UK and in the US is managed primarily through borrowings denominated in the relevant foreign currencies, where appropriate.

(ii) Credit risk

Financial instruments that potentially subject the Company to credit risk consist primarily of trade receivables.

As it markets and sells its products and services to a broad base of customers including OEM partners, distributors, and system integrators, the Company has no significant concentration of credit risk though relatively few customers accounted for a substantial portion of the Company’s sales within the last few years as a result of the dominance of a limited number of companies in the Company’s markets. The ten major customers represented approximately 57.0% of the Company’s sales in the year ended 31 December 2009 (56.6% in 2008); approximately 41.3% of sales were made with the five largest customers of the Company in the year ended 31 December 2009 (38.0% in 2008), and approximately 14.0% with the major customer alone in the year ended 31 December 2009 (10.6% in 2008).

(iii) Liquidity risk
Due to the dynamic nature of its business, the Company aims to maintain flexibility for financing its activities by keeping committed credit lines available.
However, at 31 December 2009, considering the Company’s net cash position of 3,144, the Company did not apply for any such lines of credit.

(iv) Cash-flow interest-rate risk
As the Company had no significant interest-bearing assets (apart from cash) and liabilities at either 31 December 2009 or 2008, the Company’s income and operating cash flows for the year ended 31 December 2009 were substantially independent of changes in market interest rates.
Please refer to note 6 to the Company’s condensed consolidated financial statements for the quarter and the year ended 31 December 2009 for further details on interest income for these periods.

(c) Other significant risk factors

(i) Impairment of goodwill and other intangible assets
As noted in note 4a to the Company’s condensed consolidated financial statements for the quarter and the year ended 31 December 2009, goodwill and other intangible assets are reviewed for impairment at least annually, or more frequently if events or changes in circumstances indicate that the carrying value of these items may not be recoverable, notably a decline in operating performance and future cash flows. If the Company’s future financial performance or other events indicate that the carrying value of goodwill and other intangible assets is impaired, the Company may be required to record a significant charge during the period in which such impairment of goodwill and other intangible assets is determined, resulting in an unfavorable impact on the Company’s results of operations.
In addition, the impairment analysis performed by the Company at 31 December 2009 involved determining the fair value of its Print business using a projected discounted cash flow analysis that was based on significant estimates, such as management’s projections of future sales, operating costs and margins over the remaining expected useful life of Print segment intangible assets, and the discount rate used to calculate present value of future cash flows. Changes to these estimates may cause the Company to recognize an impairment loss that may be material to its consolidated financial results.

(ii) Future changes in, or interpretations of, accounting principles
As noted in note 2a to the Company’s condensed consolidated financial statements for the quarter and the year ended 31 December 2009, the Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs), as amended from time to time, and related interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union (EU).
Changes to these standards or delays in the adoption of newly adopted standards by the EU, may have a significant effect on the Company’s reported results and may even retroactively affect previously reported transactions or periods.
Accounting principles used by the Company that may be affected by recently issued exposure drafts or discussion papers notably include the following:
- the exposure draft on income tax, which was published for public comments by the IASB on 31 March 2009, and outlines proposed changes to the method of accounting for income tax as well as the IASB’s intent to publish a final standard on income tax in 2010 which will supersede the existing standard on income tax, IAS 12 Income Taxes; and

- the discussion paper on revenue recognition, Preliminary Views on Revenue Recognition in Contracts with Customers, which was published for public comment by the IASB and the FASB on 19 December 2008, and outlines the IASB's intent to publish a final standard on revenue recognition in 2011 which will supersede the existing standards on revenue recognition, IAS 11 Construction Contracts and IAS 18 Revenue.

NOTE 5: RELATED PARTY TRANSACTIONS
Please also refer to note 12 to the Company's condensed consolidated financial statements for the quarter and the year ended 31 December 2009 for further details on such transactions.

NOTE 6: INFORMATION ON THE COMPANY'S PERSONEL

(a) Breakdown by geographical area of employment

	31 December 2009	31 December 2008
United Kingdom	67	66
India	30	31
United States of America	18	17
Japan	3	3
Continental Europe	2	2
Total	120	119

(b) Breakdown by nature of employment

	31 December 2009	31 December 2008
Research and development	74	75
Sales and support	32	26
General & administrative	14	18
Total	120	119

NOTE 7: VOTING RIGHTS AND SIGNIFICANT SHAREHOLDERS

(a) Voting rights at 31 December 2009

Number of shares to which a single voting right is attached	10,259,655
Number of shares to which a double voting right is attached	30,126
Total number of voting rights attached to the Company's ordinary shares which were outstanding at 31 December 2009	10,319,907

(b) Significant shareholders

(i) Stichting Andlinger & Co. Euro-Foundation
At 31 December 2009, as was already the case at 31 December 2008, Stichting Andlinger & Co. Euro-Foundation held 2,883,001 shares of the Company (or 28.01% of the total number of shares of the Company outstanding at 31 December 2009).

Attached to these 2,883,001 shares was an equivalent number of voting rights, representing 27.94% of the total number of voting rights attached to the Company's ordinary shares outstanding at 31 December 2009.

(ii) Other significant shareholders
At 31 December 2009, no other shareholder was known to the Company to hold in excess of either 5.0% of the total number of shares forming the share capital of the Company, or 5.0% of the total number of voting rights attached to such shares.

(c) Director shareholdings

Number of shares held by the Company's directors at 31 December 2009	254,785
% of outstanding shares held by directors at 31 December 2009	2.5%
Number of shares held by the Company's directors at 31 December 2008	155,764
% of outstanding shares held by directors at 31 December 2008	1.5%
Change in the year ended 31 December 2009	
Change explained by:	
- Share purchases by directors in the year ended 31 December 2009	99,021
- Share disposals by directors in the year ended 31 December 2009	0

NOTE 8: INFORMATION REGARDING GLOBAL GRAPHICS SA

Because Global Graphics SA has only one employee and all of its revenue results from the recharge of corporate management fees to the Company's operating entities which are based in the UK and in the US, its statutory results for the year ended 31 December 2009 are not provided since they were not considered as meaningful in the context of the reporting of the Company's condensed consolidated results for the year ended 31 December 2009.

GLOBAL GRAPHICS SA AND SUBSIDIARIES
STATEMENT MADE BY THE PERSON TAKING RESPONSIBILITY FOR THE CONDENSED MANAGEMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2009
Translation of the French language original

I hereby confirm that, to the best of my knowledge, the condensed consolidated accounts included in the Company's financial report for the year ended 31 December 2009 have been prepared in accordance with International Financial Reporting Standards (IFRSs) and related interpretations issued by the International Accounting Standards Board, as adopted by the European Union, and give a true and fair view of the assets, liabilities, financial position, and profit or loss of Global Graphics SA and its subsidiaries as at and for the year ended 31 December 2009.

I also hereby confirm that the attached condensed management report includes a fair review of the information referred to in article 222-6 of the Règlement général de l'Autorité des marchés financiers, and notably of the material events that occurred in the financial year ended 31 December 2009 and their impact on the condensed consolidated accounts for the same period, the main risks and uncertainties for the year ended 31 December 2009, and the main transactions with related parties which occurred in the same period.

Made in Cambourne (United Kingdom) on 9 February 2010,

Gary Fry
Chief Executive Officer