EVERY MORNING,
YOU WANT TO CONQUER THE WORLD.
SO DO WE.

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Annual Report 2010

"Supporting you on your own terms"

Today's difficult economic context has underscored the importance of the entrepreneur's decision-making role. Entrepreneurs must know how to act quickly and make the right decision after a careful, rational analysis of the situation.

In this context, an IT system is only a tool, but an important one. And every chief executive must be able to get the most out of it: optimization of functional and industry-specific processes and support for the decision-making that is part and parcel of a growing enterprise.

"Every technological improvement must have a single objective: adapt to users and their evolving needs and usage modes."

Data, transformed into meaningful information, must now be available constantly, wherever you are, and access to it must be secure.

With:
- everyday support to every user, both in France and abroad,
- high-quality service, and,
- a constant focus on more flexible, more agile, easier-to-implement solutions,

we plan to continue fulfilling our mission.

A mission that is very much like yours: increase performance, secure your company's future and create value.

Jean-Michel Aulas
Chairman

"For every industry challenge, a Cegid response"

Patrick Bertrand, Chief Executive Officer

Mr. Bertrand, accelerating Cegid's growth was the principal operational initiative you announced for 2010. You said you would look to enrich your ecosystem, implement a multi-channel strategy, continue to make acquisitions and increase your international footprint. It's now early 2011. How would you sum up the past year?

The strategy we have been carrying out for several years now has clearly positioned Cegid as a major player in the enterprise software market. By remaining focused on our strategy, we were able to hold a steady course in 2010, despite a turbulent economic context which caused many companies to hold back on investment.

Let's look first at international development. We posted a 35% rise in sales. The increase derived principally from the retail sector, where we now position ourselves as a global company, able to accompany large-account retail customers on every continent. Many of them currently use a different solution on each continent. Cegid offers them a global solution, with product ranges available in more than 65 countries and in more than 25 languages. 2010 was also a turning point in that it demonstrated Cegid's ability to win over local customers. This very favorable trend not only inspired all of our foreign subsidiaries, which are all growing rapidly, but also the Group as a whole. The market now has a positive view of our international growth.

Secondly, we get significant support from our ecosystem and from our multi-channel strategy. We plan to accelerate our growth by leveraging our strong product, sales and deployment partnerships. Over the last few years, Cegid has gradually expanded its ecosystem. **Resellers** now contribute to the sales realized by the Group, with 2010 seeing a 23% advance in sales from this indirect sales channel. The **alliances** we formed with major integrators who can accompany Cegid in the deployment of large projects was also a determining factor. An example is the Aoste group, where our partnership with IBM enabled us to deliver the most appropriate HR/payroll solution to the customer in the shortest possible timeframe. Telesales were successful, as was the launch of the Cegid Store, an e-commerce portal, and these activities also supported Cegid's business in 2010. In the era of cloud computing, it is important to open up and enrich our product range by adding functions and content that form a comprehensive service package. In this spirit, we forged numerous partnerships

with specialized providers such as Kyriba (cash management), Isotools (e-commerce solutions), Carlabella (expense report management) and Sidetrade (working capital management). And the list goes on.

Finally, let's talk about acquisitions. They are not something we do when opportunity knocks, but constitute a key element of Cegid's strategy. Acquisitions help us to achieve several objectives: hire employees with dual "IT/industry" skills, increase our installed customer base, ensure a base for future organic growth, consolidate our technological know-how and round out our product suites. In this regard, consolidating VISA in 2010 strengthened our position in the public sector market. Similarly, by acquiring Vedior Front RH, we added to our expertise in human resources, while Axeteam gave us new skills in the area of contract management software for service companies.

The IT market is now dominated by huge international companies. What is your secret? What do you have that these giants don't?

We can't say it often enough. A software provider's job is above all to deliver functionality that dovetails with the way end users conduct their activities. As a result, we are convinced that the generalist approach—producing software that requires a great deal of investment in configuration—no longer corresponds to market demand. Rather, companies want to invest in IT systems with a rapid ROI. They are gradually abandoning "big bang" projects in favor of smaller, targeted projects that quickly enhance the productivity of the operating process in question, such as HR, supply chain, production management, point of sale management, or finance/reporting. Another underlying trend we see is that users want top-level, management information, not just raw data that they must then manipulate or process to get information they can use to manage their company. Software companies must now provide this information natively, in the form of function- or industry-specific dashboards, for example.

Cegid designs programs that can be integrated without a "big bang". They communicate with the other market solutions the customer uses and are a far cry from monolithic ERP, deployment of which is long and sometimes very complicated. Numerous companies have chosen Cegid, manufacturing companies for example, even though their parent company uses another large ERP-type solution. It is the subsidiary that proposes Cegid, and now, increasingly, the parent company that approves the choice. In doing so, the parent ensures the best responsiveness, while keeping the entire IT system secure and coherent.

The "best-of-breed" phase lasted until the end of the 1990s, when "ERP" became dominant. We're now entering the "best-of-best" era. New technologies are facilitating this, via connectors and web services. They enable all the modules of the information system to communicate with each other without the need to develop specific interfaces like before..

The way people use IT systems is changing rapidly with SaaS and the emergence of cloud computing. What is Cegid's strategy for dealing with these changes?

We have been building strong skills in SaaS for several years. It started in 2004 when we acquired Ccmx, an expert in hosting and payroll/HR solutions since the beginning of the decade. Since then, we have stepped up the pace of change and are now a major player in enterprise solutions available in SaaS mode. In 2010, SaaS sales totaled €16 million, up 23%. This growth rate was higher than the market average. We have beefed up the human and technical resources devoted to SaaS so as to increase market uptake of it. We now have considerable expertise, which means we can offer customers the flexibility, security, technology and openness they now need to use an IT system. Independent professionals have understood the advantages of SaaS. Retailers have, too, and so has—and this was more surprising—the public sector, which is undergoing a complete makeover. CPAs have been adopting the SaaS mode not only for their own use, but also to facilitate communication with their customers.

By leveraging this expertise, we will be able to take full advantage of the big changes ahead that will come out of cloud computing. How? By using the new resources for developers that providers of cloud technologies are now offering. Cegid's ambition is to make these innovations accessible by federating its ecosystem and offering its customers service packages based on this know-how, with a "cloud" for every industry and for every function. The service packages go beyond traditional functionality to provide management-level information tailored to the user's industry or function and fully integrating the advantages of the cloud: availability, security, and of course, accessibility anywhere in the world from any portable device.

What is your challenge for 2011?

Customer satisfaction and above all, new business! Recurrent sales now represent 50% of the total and is the highest ever, because SaaS sales have ramped up, but also because the customer support business has remained healthy. We are proud of the trust our customers put in us and to remain worthy of them, we must increase service quality. In 2011 Cegid will make a strong commitment to providing the best possible service to its customers and developing new services intended to facilitate their everyday use of the software. Very simply, we want to make their IT system an ally that supports the growth of their business.

"Cegid, enterprise solutions as unique as you are"

Using technologies that function seamlessly, delivering relevant information wherever you go, Cegid puts the needs of its customers at the core of its strategy, offering industry-specific solutions devoted to the development of your company.

What do you want from your software partner in order to succeed in your job?

Beyond performance or rich functionality, you are looking for:

- a perfect understanding of your industry needs,
- an efficient, agile solution that adapts to your organization,
- reliable, easily-available information to facilitate decision-making and top-level coordination of your company,
- a solution organized as a platform for communication and information exchange between staff members.

To do all this, you want a partner that can respond to your day-to-day needs but also one that can accompany you and advise you as you grow.

[You]

Chief executive
Entrepreneur
CFO
Tax manager
Human Resources director
Industry manager
Retailer
Hotel owner
Restaurant owner
CPA
Company director in the wholesale or services industry
Elected official or civil servant

Yourc

Software fo

Targeted areas of expertise

Cegid is a specialist in enterprise solutions in certain targeted areas of expertise and offers companies the best tools for a comprehensive, real-time view of their business activity.

Every company is unique and its needs specific to its business and environment. For this reason, Cegid has created Yourcegid*, the integrated enterprise solution that puts your challenges at the core of its design.

Customer satisfaction is the overriding priority

To help companies fully exploit Yourcegid solutions, Cegid has released **Cegid Pass, a new, comprehensive set of services** adapted to the demands and constraints of each business.

Deployment, Training, Maintenance, Support-Assistance: at all the major customer contact points, Cegid teams coordinate their expertise so as to support all customers in their day-to-day work and every step of the way as their business grows.

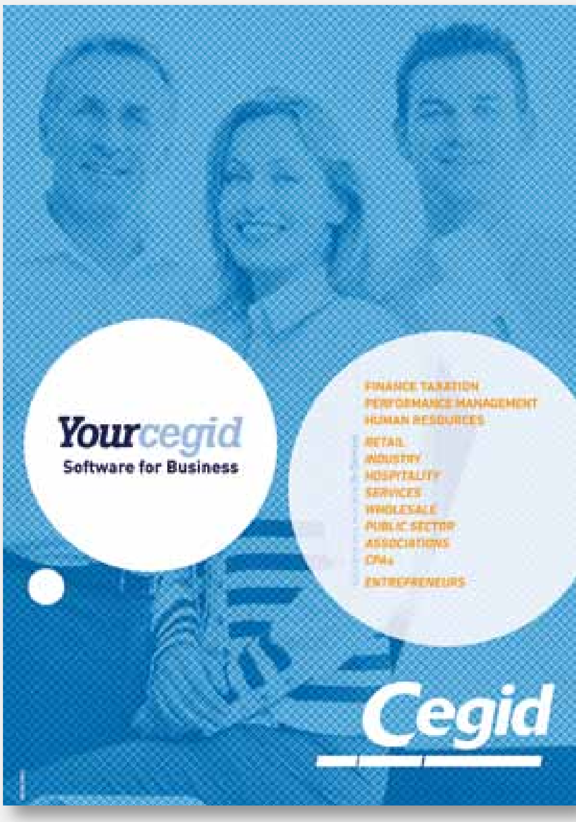
Under new support contracts – Safe, Connect, Contact, Open or Private – Cegid uses updates, expert responses, remote assistance, personalized contact and extended hours for a progressive response to every request, from the simplest to the most complex, all without interrupting workflow.

2,000 employees to respond to your functional and industry-specific needs

Yourcegid embodies the promise of service and quality extended by all of the Group's employees. Cegid employees cultivate a dual skillset, combining technical expertise with their knowledge of the customer's business, so as to offer customers the best possible fit. **Be they consultants, developers, salespeople or advisors,** their high level of training gives them the edge they need to provide premium-quality service.

Us

Finance
Taxation
Human Resources
Performance Management
Retail
Industry
Hospitality
CPAs
Services
Wholesaling
Associations
Public sector



"Every day, your company must rise to new challenges, so your IT system must adapt to the needs of your enterprise and not the reverse. **This is what Cegid's commitment is all about.**"

* Yourcegid is the brand name for Cegid solutions.

"Solutions that evolve as your company grows"

Companies are constantly changing. As a start-up, it must have a light and agile solution. Later on, it will need the MOST APPROPRIATE AND POWERFUL SOLUTIONS TO GROW AND PERFORM.

The diversity of our customers has prompted us to build solutions that correspond to each of them. Our solutions take account of each company's size and budget, offering products and services that respond to the specific needs of each sector. In this way, Cegid and its scalable solutions accompany customers on their path to growth, with the same commitment whether the customer is an independent contractor or a large corporate group.

WHO ARE CEGID'S CUSTOMERS?

53,000 "VERY SMALL" COMPANIES

These business people - individual entrepreneurs, craftspeople, merchants and other small business owners - must have light, simple solutions that enable them to quickly increase productivity and responsiveness. Often recommended by the entrepreneur's accounting firm, **these packaged solutions from Cegid address the primary functions of the enterprise,** both administrative (accounting, invoicing, inventory, payroll, etc.) and industry-specific (hospitality, manufacturing, point of sale, etc.). Today, these solutions are perfectly well adapted to small entities in that they are available in SaaS mode, facilitating access and obviating the need for complex installation or deployment. More than one in five small business owners have opted for this usage mode.

For very small companies with very big ambitions.

23,000 SMEs

SMEs want solutions that are not only productive immediately, but also scalable and with services tailored to their size and expectations. **The solution they choose, intended to meet an immediate operational need and boost profitability, should also be able to stay the course while they grow.** Companies start with accounting, CRM and payroll functions, which they view as essential, but very soon thereafter they want to take advantage of more sophisticated analytical functions offered by decision-support and human resource management tools so as to control the strategic orientation of their business. The close relationship we have always maintained with the corporate world has enabled us to design solutions integrating responses to the specific needs of professionals and their line of business.

4,000 LARGE COMPANIES AND CORPORATE GROUPS

Corporate executives, CFOs and human resources directors all want solutions with proven expertise and supported by a provider that can accompany them in the deployment of larger, more complex projects. **The functional applications are thorough and the business intelligence applications state-of-the-art.**

Cegid offers high value-added solutions for all the functional areas of companies and corporate groups. Modular, agile and integrated, they can be implemented rapidly and ensure a tangible return on investment in less time than the market's standard products.

"A solution for every functional department in the enterprise"

FINANCE/TAXATION, PERFORMANCE TRACKING AND REPORTING, HUMAN RESOURCES: the flexibility of Cegid's integrated, modular approach gives corporate executives functional solutions that communicate or that can be used on a standalone basis.

Yourcegid FINANCE

Yourcegid Finance covers the entire financial chain, from accounting, financial and cash management to professional expenses, purchasing, reporting and the financial relationship with the customer.

With Cegid's comprehensive, modular and user-oriented information system, you can optimize processes and anticipate decision-making, regardless of the size of your company.

Yourcegid Finance includes the operating dimension and top-level coordination, all in the same enterprise software approach, for better cash management and quicker financial communication.

Yourcegid TAXATION

Yourcegid Taxation, a standard in the market for many years now, offers a complete, robust solution, tailored to the legal requirements companies must fulfill: tax returns and financial publications (Etafi), tax consolidation, other tax statements, online EDI filings and the Etafi.fr submission portal. Yourcegid Taxation also offers organization, coordination and archiving functions for better traceability and visibility, as well as auditing and diagnostic functions for anticipating risks and optimizing taxes.

Yourcegid PERFORMANCE MANAGEMENT

This product is designed to respond to a company's need for analysis and group-wide coordination, offering consolidation and financial performance management solutions, as well as budgeting and reporting tools.

Yourcegid HUMAN RESOURCES

Payroll, personnel administration, position management, time management, resource planning, talent management (skills, interviews, training, hiring and mobility), HR internal auditing, reporting and BI.

Cegid's HR solutions enable human resources departments to deliver high-quality HR services and to focus on enhancing the value of their company's human capital while aligning the HR policy with the strategy of the enterprise.

Yourcegid Human Resources combines technological, functional and industry-specific expertise with a Web 2.0 interface to provide SaaS-mode solutions that position it as the market's benchmark for companies that require a specified budget and timeframe.

"Cegid's vertical solutions: one for every professional"

Every industry has its special characteristics and expectations. Cegid offers industry-specific solutions integrating the customer's industry dimension into the very core of its products.

We **have long-standing expertise** in vertical market solutions, owing to the substantial accomplishments of our research and development teams and to the numerous times over the years that we have integrated vertical solution providers into the Group through targeted acquisitions. **We also have in-depth knowledge of the peculiarities of each business sector, offer tailored solutions and services and maintain fully-dedicated sales, technical and support teams.** Cegid leverages these advantages to offer solutions that match the needs of business professionals.

Yourcegid SERVICES

Yourcegid Services gives companies that need to track their business on a **per-contract, per-project or per-assignment basis** a comprehensive view of each contract and enables them to focus on their core business. Simple and intuitive, operating autonomously or integrated with Cegid ERP, Yourcegid Services brings together estimates, resources, agendas, procurement and à la carte invoicing (time & materials, flat fee, subscription, contract) in a single solution, as well as tools for data analysis and monitoring. In 2010, the Yourcegid Services range was enriched by the addition of Axeteam's products and services.

Yourcegid WHOLESALE

Yourcegid Wholesale offers a complete, integrated solution **to operate seamlessly over the entire purchase-sale chain** and meet the demands of all companies that must manage a supply chain.

With its solutions tailored to the specific needs of your profession, Cegid's wholesaling application manages the complete sales cycle of your company, makes your salesforce more efficient and reduces your delivery times.

Yourcegid RETAIL

With more than 1,000 banners and 20,000 points of sale using Yourcegid Retail solutions in more than 65 countries, Cegid is strengthening its position as leader in IT solutions for specialist retailing and is expanding its international presence. Cegid is now one of the world's major players in this market space.

Creating the product line, procurement budget and forecasts, sourcing, supply chain, merchandising, cross-channel management, inventory optimization, store management, check-out, CRM and loyalty, etc.

Designed to improve the competitiveness, productivity and profitability of specialist retailing companies, the Yourcegid Retail range helps store chains of all sizes optimize the processes specific to their business, oversee their activities, and enhance the customer experience in the store or other point of sale. Yourcegid Retail meets the operational and decision-making needs of the retail and wholesale value chains. Solutions are available in more than 25 languages.

Yourcegid HOSPITALITY

Multi-location management, calendar, online reservations and management of distribution channels, allotments, CRM and loyalty, payment, mobile order-taking, supply optimization, inventory management, centralized management, consolidated statistics, autonomous mode, budgeting.

This array of modules responds to the demands of hospitality industry professionals with functionality suited to the size of their company, from independent hotels to large hotel groups and from traditional restaurants to the major chains.

Yourcegid INDUSTRY

Manufacturing, CRM, planning, supply chain, EDM, PLM, after-sales service, EDI, e-commerce, web services, etc.

Yourcegid Industry responds to the operational and decision-making needs of manufacturing companies. Yourcegid Industry offers solutions for every size business, from companies with fewer than 20 employees to large SMEs and groups. With an increasing number of subsidiaries of large manufacturing groups choosing Cegid's flexible, scalable enterprise solution, appropriate for the size of their operation, Cegid has become a compelling alternative to the market's very large ERP systems. More than 2,000 professionals in the life sciences, high-tech, automotive, and aeronautics sectors use Yourcegid Industry solutions in France and 23 other countries.

Yourcegid CPA

Our expertise in enterprise software for CPAs and their clients derives from our long-standing relationship with the accounting profession.

Cegid is the leading supplier of IT solutions for accounting firms, with Cegid Expert – Quadra Expert – **and Ccmx Expert.** Cegid now also has a suite of products dedicated to France's rural economy centers (AGCs) and the accounting services they provide.

Above and beyond the operational tools, Cegid responds to the accounting profession's other needs, offering solutions for consolidation, auditing and legal services.

Collaborative portal solutions integrate naturally with the firm's underlying accounting applications, enabling it to work in collaborative mode and exchange information easily with clients through customizable services available online (via internet).

All of these solutions and services have a single objective: optimize the productivity of CPA firms and unlock synergies between them and their clients.

Yourcegid CPA is available in **local** or **On Demand** (SaaS) mode.

Yourcegid ASSOCIATIONS

This complete range of applications in SaaS mode responds to the two types of challenges facing not-for-profit entities. On the one hand, associations want to improve their administration, accounting and financial management; on the other, their users, principally volunteer-managers, want software that doesn't require prior training. Their objective is to communicate with their members and the public entities that finance them.

Yourcegid ENTREPRENEURS

Cegid offers each of these small companies – **independent professionals and artisans, merchants, trading companies** – enterprise solutions tailored to their profession, in SaaS mode. In this way, entrepreneurs have access to their enterprise applications, whenever they want and wherever they are. They no longer have to update or back up their data. Freedom, mobility, accessibility and security are among the advantages offered by Yourcegid Entrepreneurs.

Yourcegid PUBLIC SECTOR, with Civitas and VISA Informatique

With Civitas and the recent acquisition of VISA, we have expanded our product range and demonstrated that we are determined to strengthen our position in management solutions for the public sector. Specialized in local authorities, emergency response units and public services, **Yourcegid Public Sector delivers management software in four functional areas: finance, human resources, technical services and general services.** To deal with the numerous changes affecting the public sector, customers can also use the software in On Demand (SaaS) mode, while maintaining service continuity and improving service quality.

“Simply put, Cegid technology supports your industry needs”

Decision-makers now want their IT system to deliver relevant information, accessible from anywhere, in an open but secure environment. Technology must therefore meet its objectives but run in the background while collaborative usage modes and other user benefits take center stage.

MULTIPLE ENVIRONMENTS AND USAGE MODES

SYSTEMS AND THEIR COMPONENTS ARE CONSTANTLY EVOLVING

Client workstations (PC, tablet, smartphone), servers, data (stored, analyzed, paperless).

The architecture of Cegid’s IT system and its development platform, open to all operating systems, respond to today’s emerging demands for the latest technology.

Cegid’s application modules are compatible with all of the market’s relational databases; they integrate easily and seamlessly with the choices companies make.

USAGE MODES ARE CHANGING DRAMATICALLY

Cloud computing, mobility, social networks.

Personal usage modes are having a direct influence on the needs and demands of business users. Technology no longer drives investment decisions, but rather, how the technology will be used and the potential benefits that can be drawn from it. Information exchange, easy remote access, professional collaborative platforms and the widespread use of social networks are some examples.

INTEROPERABILITY AND OPENNESS ARE ESSENTIAL

Paperless documents and automated processes, shared virtual spaces, collaborative portals, desktop and complementary applications, web services, etc. Applications are now part of service packages that take into account a whole new range of environments and information exchange and transfer processes.

The interoperability of Cegid’s solutions responds to these changes and facilitates access to new partners, whose complementary solutions enrich the functional capabilities and vertical expertise of Cegid’s products.

PROFESSIONALS EXPECT FROM CEGID WHAT THEIR BUSINESS REQUIRES OF THEM

Touch screens, intelligent and communicative objects, and widespread use of RFID chips putting innovation at the heart of their business.

Enterprise applications must take these changes into account, and mobile applications will have to adapt to the new usage modes that are transforming workflow and enabling communication by secure text messaging and payment by cell phone.

Mass-market retailers, specialist retailers, wholesalers and manufacturing companies expect a software provider like Cegid to help them get the most out of new technologies.

Technology must respond to this demand for new ways of accessing and exploiting information. Users want information to be available immediately in one "location", wherever they are geographically.

“Yourcegid On Demand makes the enterprise’s information system more agile”

Cegid is one of the fastest-growing companies in the SaaS (software as a service) and cloud computing market.
This is because we have oriented our investment in this direction for several years now so as to have the human and technical resources necessary to operate our own hosting platform. Owing to this strategy, Cegid can now offer its customers high-quality, readily-available and efficient online solutions.

A SIMPLE, OPEN, UNFETTERED USAGE MODE

Yourcegid On Demand solutions are comprehensive, offering hosting and utilization and are guaranteed by a commitment to quality. With Yourcegid On Demand, enterprises increase the security and performance of their information system, free themselves from both hardware and software constraints, and plan and control their budget through an all-inclusive subscription. While maintaining complete visibility on their information system, they can now concentrate on the strategic side of their business.

Yourcegid On Demand solutions are used by enterprises of all sizes, in all sectors of the economy and for all functions.

"Everywhere, every time"

KEY FIGURES

- 12,000 "very small" companies online
- More than 350 mid-sized and large-account customers in retailing, accounting, manufacturing, and services:
  - 40,000 users,
  - 2,000 CPA firm employees,
  - 220,000 payslips produced on line every month,
  - Retail sector customers log in more than 120,000 times per month,
- 350 local authorities and other public entities.
- Heavy traffic on the portals:
  - 240,000 online declarations via the Etafi.fr submission portal
  - More than 125,000 comptanoo.com members

FROM SAAS TO CLOUD COMPUTING

Amid the dramatic economic and technological change that cloud computing represents, Cegid now aims to leverage its expertise and create innovative service packages. These will be based not only on our own development but also on that of our partners, be they developers, service providers or content providers. Now a cloud business solutions provider, Cegid is determined to play a role in this revolution to make innovation available to its customers, federating the best cloud-based services and delivering ever more value added to their business.

"Cegid, a local presence throughout the world"

Through sales offices, subsidiaries and an international network of Cegid partners, Cegid solutions are deployed and localized in more than 65 countries. Cegid is now a global partner capable of accompanying international companies as they develop on every continent.

Cegid's head office in Lyon

IN FRANCE

Cegid has built **an extensive, direct and indirect sales network** for the distribution of its solutions and has **adopted a personalized approach based on strong expertise in advisory, support and other services.**

40 LOCAL SALES OFFICES

Spread over all of France, Cegid's sales offices maintain a local relationship with their customers. Our nearly 430-strong salesforce possesses in-depth knowledge of the industries in which our customers are active. Attentive to their concerns, these salespeople often have a dual skillset: technical expertise, along with knowledge of the customer's business. This makes their recommendations and suggestions particularly valuable.

THE OFFICE-BASED SALES STAFF IS THERE TO HELP

60 office-based salespeople field calls from 80,000 Cegid customers and are in direct, daily contact with them.

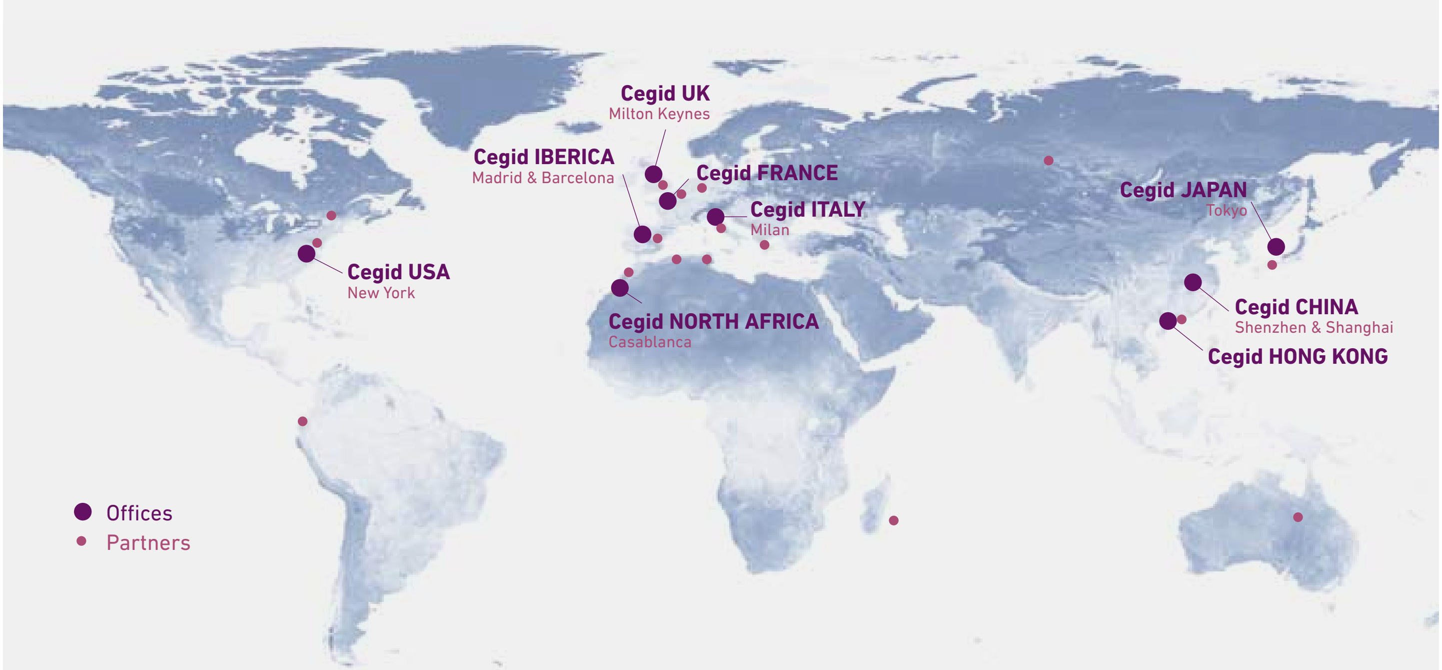
A NETWORK OF 175 PARTNERS

A network of 175 carefully-selected, trained and certified partners strengthens Cegid's presence throughout France and is complementary to Cegid's salesforce.

CEGID STORE: ONLINE BOUTIQUES DEDICATED TO BOTH INDUSTRY-SPECIFIC AND FUNCTIONAL SOLUTIONS

CegidStore™

To tighten its relationship with customers while adding innovation, Cegid launched its B-to-B e-commerce site, "Cegid Store", in 2010. Simple, intuitive and available 24/7, the "Cegid Store" makes it easy for all Cegid customers, prospects (2011) and accredited resellers to find the appropriate service or solution in the boutiques devoted to each of the industries and functional areas Cegid covers.



ABROAD

With a direct presence in the United States, China and the principal European countries, Cegid's international presence is growing, in particular in the retail industry. **By combining our existing locations with newly-acquired ones and signing new strategic partnerships,** we have given our international growth a boost and now have numerous customers on all continents. Cegid can now provide its services and improve the productivity of both local and multinational companies.

SUBSIDIARIES CLOSE TO THEIR CUSTOMERS

To cultivate the same type of local relationship abroad that has been so successful for Cegid in France, Cegid has a direct presence in **New York, Barcelona, Madrid, Milan, London, Casablanca, Shenzhen, Shanghai, Hong Kong and Tokyo.**

25 INTERNATIONAL RESELLER-PARTNERS

To step up worldwide development, Cegid also relies on a network of resellers and partners. They are spread around North America, Europe, Asia and North Africa, contributing their skills and adding value to Cegid's existing distribution network. These carefully-selected companies, prominent in their local markets, **have full knowledge of the specific sectoral, legal, employment, tax and accounting parameters** of the countries in which they are located. Able both to advise the customer and implement information systems, they ensure localization, sale, deployment and first-level support of Cegid products.

More than 15 people have joined Cegid to meet the demand for deployment in China.

KEY FIGURES

Solutions deployed in more than 65 countries
Offered in more than 25 languages
A hotline for every country
20,000 points of sale use Cegid solutions

"An ecosystem that adds expertise and brings us closer to customers"

Today's environment demands openness, alliances and partnerships. To handle today's increasingly complex projects, we must be able to create an ecosystem encompassing technology leaders, complementary software providers, integrators and a network of resellers so as to enrich and ADD VALUE TO OUR PRODUCTS AND SERVICES.

Allied with Cegid's own sales efforts, the multi-channel approach to extending and distributing the Group's solutions strengthens its expertise—expertise that customers demand—and supports Cegid's growth.

A NETWORK OF MORE THAN 200 RESELLERS IN FRANCE AND ABROAD ENSURE LOCAL DISTRIBUTION

In France, 175 certified Cegid Partners, experts in one or more industries, make their knowledge available to the small and mid-sized businesses in their regions. They complement Cegid's industry-specific solutions and direct presence in local markets. These partners, specialized in enterprise software, are chosen on the basis of their skills. They advise customers in their choice of a Cegid solution and in its deployment. New partners are now entering the network, focused on very small companies, to which they offer solutions that correspond to their line of business, their size and their needs.

For international deployment, in particular in the retail industry, a network of 25 international partners, prominent in enterprise software in their geographical region, participate actively in Cegid's international business development strategy.

PARTNERSHIPS THAT ENRICH THE PRODUCT RANGE

Customers now expect an all-inclusive service encompassing applications that cover not only the whole of their field of expertise, but also industry-specific content that directly addresses their needs. Partnerships with specialized software or content providers enable Cegid to offer enriched vertical solutions. Isotools, Carlabella, Sidetrade, Novapost and Kyriba are just some of the partners enabling Cegid to offer full-fledged service packages to its customers.

SELECTED INTEGRATORS TO HANDLE LARGE-SCALE PROJECTS

Implementing large application projects often requires a high degree of on-site integration and support. For these customers, Cegid has developed centers of excellence within its IT service company partners. Carefully selected and trained, these major market integrators will help Cegid put its solutions into production at customer sites.

350 consultants are now applying their skills to deploying Cegid solutions. Members of the Cegid Club Conseil (C3) or formerly from IT service companies and consulting firms, these consultants know how to fully leverage the advantages that Cegid products have to offer.

CEMAGID, A JOINT VENTURE BETWEEN CEGID AND GROUPAMA-GAN ASSURANCES TO DEVELOP INNOVATIVE PRODUCTS AND SERVICES

The strategic agreements between Groupama and Cegid are intended to develop innovative, value-added products and services for CPAs so as to enrich the range of products they offer their own clients. But they also serve, directly or together with CPAs:

- small and mid-sized companies,
- associations,
- local authorities

Leveraging the skills and portfolios of Groupama and Cegid customers on these various markets, Cemagid develops and manages four portals containing tools, advice, content and training tailored to each of its markets:

- Wexperandyou.com for the accounting profession,
- Comptanoo.com for small and mid-sized companies,
- Monassociation.com for associations,
- Macollectivite.com for the public sector.

To strengthen these ranges of products and services and the related, dedicated portals, Cegid, Groupama and Gan Assurances have forged important partnerships with the Conseil Supérieur des Experts Comptables (French CPAs' governing body), the network of chambers of commerce and industry and the Editions Francis Lefebvre publishing house.

In this context, Cemagid has developed decision-support tools such as "Detecting new assignments", "Owner-executive status", "Optimization of owner-executive's compensation", "Reminders" and "Calculation of retirement bonuses" and made them available on its various sites.

LONG-STANDING PARTNERSHIP WITH CPA FIRMS

More than 7,000 accounting firms use Cegid solutions and can advise their corporate customers in the choice and use of an enterprise software solution. Cegid offers its small corporate customers a range of packaged or On Demand solutions compatible with their needs and in synch with the system used by their CPA. Communicative tools, similar ergonomics, facilitated data interchange, reliable transmission: each of these brings immediate productivity gains.

CEGID EDUCATION, MORE THAN 700 PARTNERS AND MORE THAN 35,000 STUDENTS TRAINED EVERY YEAR

Launched in 2004 to help young people hone their employment skills, the Cegid Education program enables high schools, universities, business schools and vocational training centers to put management solutions tailored to the needs of business in the hands of tomorrow's professional users.

With its ERP officially recognized by the French Government since 2005 as an important teaching tool, Cegid Education has already attracted more than 600 secondary schools, business schools and professional training centers (public & private), as well as around 100 universities and prestigious French business schools, and trains more than 35,000 students per year.

Expanded partnerships have been signed with universities. In addition to training students they aim to create specific courses of study, research programs or to endow a corporate-academic chair.

"Motivation and diversity through HR policy, long-term commitments through concrete initiatives"

For a company that is a leader in its market, power is meaningless if it is not shared. As part of our effort to make a lasting impact on our environment, we are constantly investing in new initiatives, all with the same objective: bring companies and the people who work to develop them closer together.

For a company to grow and develop, **every employee must be motivated.** For this reason, Cegid has been built from the outset on **a dynamic HR environment, linking corporate performance to the individual's development and sense of fulfillment.** Sound management of our Group's human capital has been an essential factor in giving us a stable, highly-skilled workforce and a satisfied customer base.

CORPORATE SOCIAL RESPONSIBILITY

Cegid has always opposed discrimination of any kind and in particular that based on sex, race, religion, national origin, political opinion, sexual orientation, economic status, age or disability.

Cegid endeavors to structure and formalize its initiatives in the form of company-wide agreements. These reflect **a stable relationship with employees, ongoing dialogue and a common outlook between the company and the employee representative bodies,** who are signatories to the agreements.

These agreements cover areas such as **equality between men and women, collective performance bonuses, planning of future skills and staffing requirements, disabilities in the workplace and senior employees.**

In the context of these agreements, labor and management have held meetings about related subjects such as **teleworking and preventing psychosocial risks.** In this way, the Group continues to respond to employees' expectations and improve their working environment.

OUTDISTANCING DISABILITY

2010 was a year of dialogue, discussion and action

Convinced that an HR policy that recognizes diversity helps to build performance and professional value, Cegid is continuing its efforts to hire **workers with disabilities**. We now have a long-term commitment to a realistic, structured, open and compassionate employment policy for disabled people.

The company-wide agreement promoting a socially responsible employment policy with regard to people with disabilities, signed in 2009, gave rise to a full-fledged action plan in 2010, both inside and outside the Company.

Fourteen employees volunteered to accompany people with disabilities and give them tangible, practical support. Numerous events were organized internally to raise awareness about disabilities. Young people were hired and receive "off-the-job" training. Finally, Cegid participated in the national employment week, Jobekia trade shows and speed-recruiting events. All of these events were opportunities to meet people, to discuss, to challenge, and in general help people deal with their disability. They were also an opportunity for Cegid to detect talent. Cegid hired nine employees recognized as disabled in 2010.

TANGIBLE INITIATIVES IN EDUCATION, EMPLOYMENT, FINANCIAL SUPPORT

Cegid is involved in local communities, not only through partnerships and patronage, but also through volunteer commitments vis-à-vis disadvantaged people. Accordingly, Cegid is involved in several programs to help young people from underprivileged backgrounds find jobs, including the programs of "Sport dans la Ville", an association supported by **OL Fondation.**

OL Fondation is a corporate foundation created by OL Groupe in 2007. It has identified certain associations and made a long-term commitment to each of them. Cegid is a corporate partner in OL Fondation and as such, supports numerous initiatives, both financially and through the contribution of its expertise or the commitment of its employees. Cegid is particularly sensitive to the issues of diversity, disability and integration into employment.

A PARTICULARLY STRONG COMMITMENT TO "SPORT DANS LA VILLE"

© Yves Ricard.

Sport dans la Ville ("Sports in the City") is an association that helps young people in difficulty, by using sports to guide them towards training and to land their first job.

Cegid has been working with Sport dans la Ville for several years now, as part of its support for OL Fondation, because the association's mission dovetails with the values of diversity and solidarity that have always been championed by Cegid, its executives and its employees.

Every year, more and more CegidPeople agree to sponsor a young person. For the 2010/11 year, 15 employees have volunteered, reaffirming the commitment of Cegid's executives, with Jean-Michel Aulas as honorary sponsor.

Each sponsor makes a modest, voluntary commitment of time, a simple yet concrete way to get involved and help young people approach the professional world. Sponsors accompany and support them in clearing the various hurdles along the way, when the young person might need a boost from someone already integrated into the business world.

Meanwhile, Cegid's top-level managers are helping young entrepreneurs through **"Entrepreneurs dans la Ville".** Initiated at the end of 2008 and implemented in 2009, this bona fide coaching program gives these young entrepreneurs support, advice and tangible assistance in launching their project.

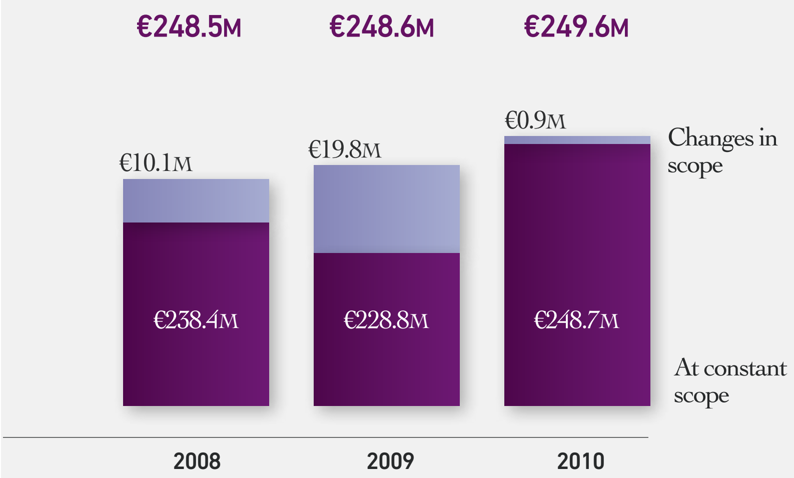
ACADEMIC CHAIRS TO SUPPORT INNOVATION, ENTREPRENEURSHIP AND EMPLOYABILITY

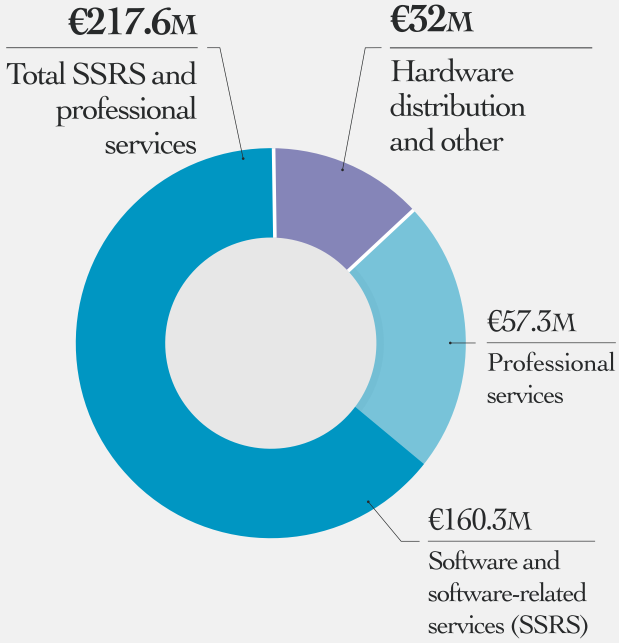
Through Cegid Education, we express our strong commitment to help train young people in the digital technologies used in the business world, a necessary condition for employment in today's job market.

Cegid has signed a strategic partnership with **EMLyon Business School** that aims to advance research into ICTs (information and communications technologies) and the innovation process in the software industry. Cegid and EM Lyon Business School entered into this relationship in the context of a foundation called "EM Lyon Entrepreneurs pour le Monde" ("EM Lyon Entrepreneurs for the World"), created under the auspices of the Fondation de France. Cegid has made a financial commitment to the foundation and is recognized as an official partner. Through the **Emerging Economies and Technologies Chair,** which brings together the major worldwide participants in ICT markets, the foundation has opened a new avenue of applied research and publishes regularly about innovation in information systems.

Another academic venue, the ARTEM Chair for Entrepreneurial Innovation, brings together three schools: the ICN Business School, the Ecole Nationale Supérieure des Mines de Nancy and the Ecole Nationale Supérieure d'Art de Nancy. Cegid supports the initiatives of this Chair, whose mission is to help company founders and executives in a highly competitive business world. By creating innovative products and services, the Chair supports the creation and nurtures the development of small and mid-sized companies, whose contribution to jobs and economic growth is essential.

SALES

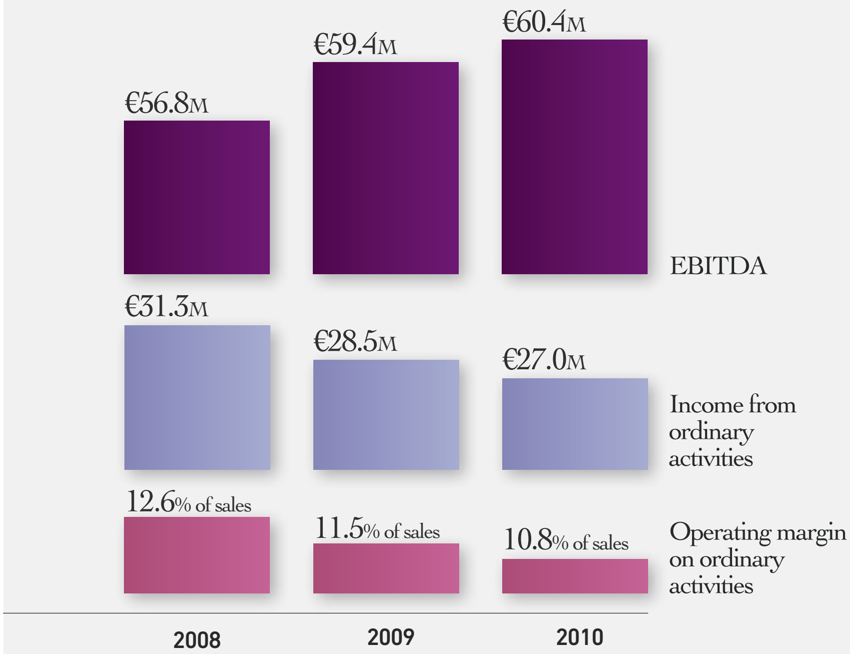




SOFTWARE AND SOFTWARE-RELATED SERVICES

2009-2010 increases unadjusted for changes in scope

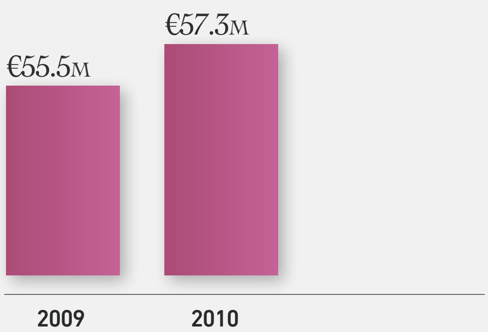
EARNINGS



FINANCIAL STRUCTURE

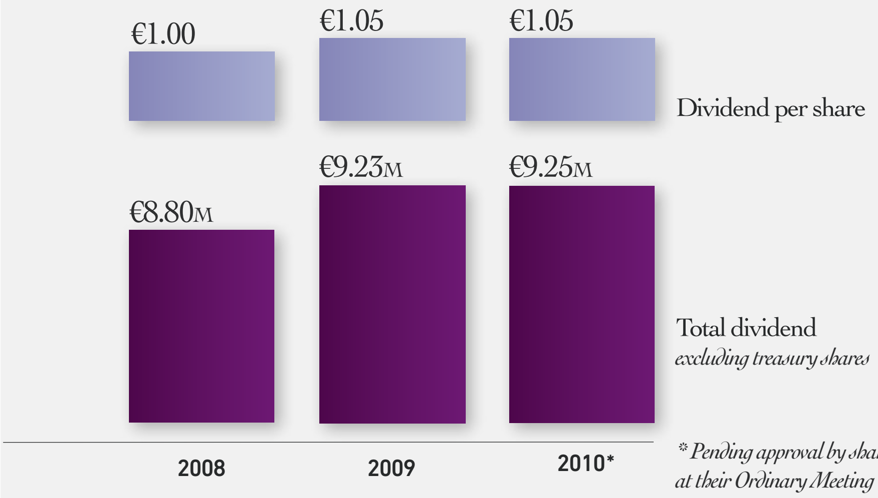
CASH FLOW GENERATED BY THE BUSINESS

before interest and tax paid



GEARING: 39%

DIVIDENDS



* *Pending approval by shareholders at their Ordinary Meeting*

Stock market:
Eurolist Paris Compartment B

ISIN stock code: FR0000124703

Reuters: CEGI.PA

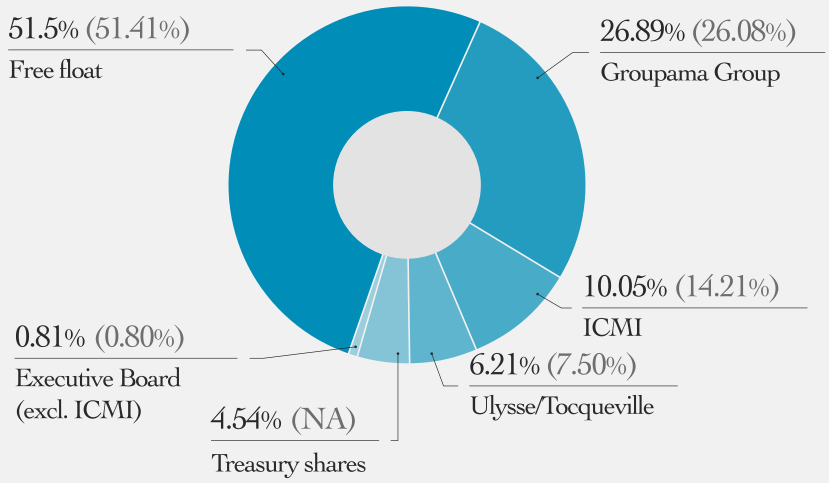
Bloomberg: CGD FP

Segment NextEconomyFTSE: 9537 Software

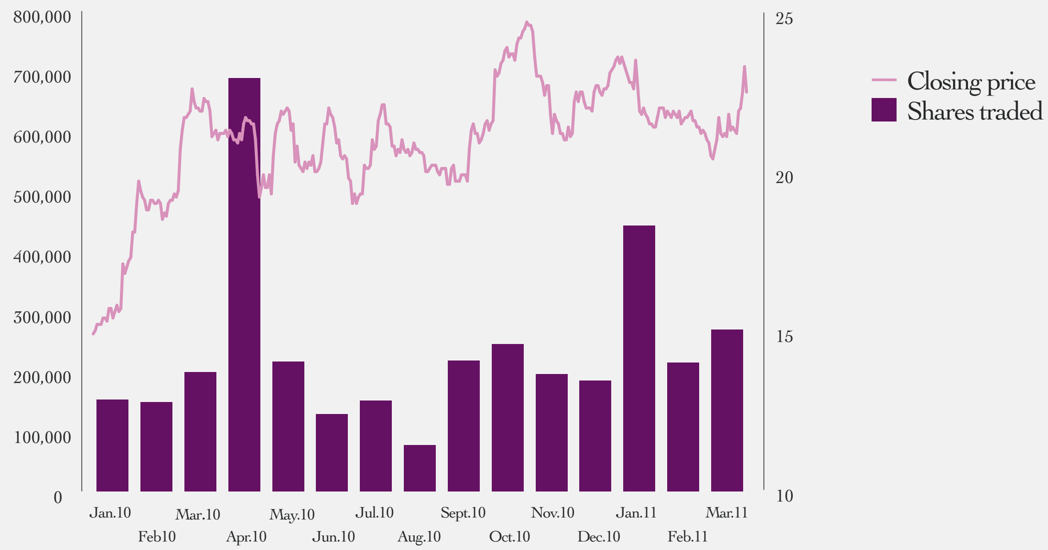
Indices: Small, Mid and Small, All-Tradable and ITCAC

CEGID GROUP
DISTRIBUTION OF SHARE CAPITAL AS OF MARCH 31, 2011

Percent of shares (percent of voting rights)



CEGID GROUP SHARE



KEY FIGURES

€249.6 million in sales
2,000 employees
40 sales offices in France
200 resellers including **25** outside France
More than 700 Cegid Education partners
Presence in **more than 65** countries
80,000 customers
400,000 users
Solutions in more than **25** languages
A hotline for every country

THE CEGID MANAGEMENT TEAM

From left to right:

Thierry Luthi, Valéry Tarondeau, Nathalie Echinard, Jean-François Marcel, Pierre Diantell, Patrick Bertrand, Antoine Wattine, Pascal Guillemin, Jean-Louis Decosse, Christian Loyrion and Sylvain Moussé.

SATISFIED CEGID CUSTOMERS

Yourcegid
Software for Business

Aigle International • Airria • Aldebaran • Amex Conseils • Groupe Aoste • Arche • Articles de Paris • Astre • Atlantes • Autogyre • Base • Blanco • Borelly • Bruno Saint Hilaire • Buffalo Grill • Bugatti Station • Burger • Bwkids • Calvin Klein Jeans • Camachos • Caroll • Carré Blanc • Cat • Chattawak • Chloé • Cité Internationale Universitaire de Paris • Coelima • Comptoir de Famille • Dammann • Darco • DECIP • DG Diffusion • Digital Virgo • Dubbing Brothers • Easydentic • Eider • Emporlojas • Encuentro Moda • Esri • Etnias • Eureka Kids • Façonnable • Fidalliance • Fusalp • Gant • GGF • Gifi • Golden Point • Griesser France • Guess • Habitat • Hans et Associés • Hobie Cat • Ibernegocio • Impetus • Incanto Moda • JKR Consulting • Kathy Van Zeeland • Kusmi Tea • L'Erbolario • L'Occitane • Laboratoire Science et Nature • Laboratoires Body Nature • Lafuma • Lapeyre Optique • Le Tanneur • Léa Nature • Les Lolitas • Lido • Linedata • Linvosges • Lollipops • Louis Pion • Lovable • Luxair • Man In Italy • Marese • Mca Ingéniérie • Médicis • Meunier et Associés • Moa • Modus Profumerie • Moulin de la Brague • Naf Naf • Nouvelle Expertise Groupe • Ollandini • Optissimo • Orco • Oxbow • Past Times • Patry • Paul & Joe • Pedradura • Perroton • Planet Indigo • Premier Monde • Quiksilver • Groupe REALITES • Résinence • RSM DBA • Sakata Vegetables Europe • Salsa • Saria Technologies • SGEL • Sogeca • Sogrape • Solola • Groupe Soufflet • STI Plastics • STVA • Teddy Smith • Téléphones Le Las • The Phone House • Torini • Touax • UMR • V.C.M • Victoria Garden • Yacht Club de Monaco • Zama Germano • Groupe Zannier •

EVERY MORNING,
YOU WANT TO CONQUER THE WORLD.
SO DO WE.

EVERY MORNING
YOU WANT
TO CONQUER
THE WORLD.
SO DO WE.

Fiscal year 2010

Cegid Group

Management report
Financial statements
Legal information

This document is an English-language translation of the French Reference Document ("Document de Référence") filed with the Autorité des Marchés Financiers (AMF) on April 27, 2011, in compliance with Article 212-13 of the AMF's General Regulation. Only the original French version can be used to support a financial transaction, provided it is accompanied by a prospectus (note d'opération) duly certified by the Autorité des Marchés Financiers. The document was produced by the issuer, and the signatories to it are responsible for its contents.

Pursuant to Article 28 of EU Regulation 809/2004 of April 29, 2004, the reader is directed to the previous Reference Documents for certain information:

- the 2009 management report of the Board of Directors, consolidated financial statements, parent company financial statements, and Statutory Auditors' reports on the consolidated and parent company financial statements can be found in the Reference Document filed with the AMF on April 23, 2010 under number D10-308.
- the 2008 management report of the Board of Directors, consolidated financial statements, parent company financial statements, and Statutory Auditors' reports on the consolidated and parent company financial statements can be found in the Reference Document filed with the AMF on April 27, 2009 under number D.09-321.

The other items contained in the two Reference Documents referred to above have been replaced or updated, as necessary, by information furnished in the present Reference Document and are not incorporated herein by reference.

Copies of this document may be obtained at the head office of Cegid Group (52 quai Paul Sédallian 69009 Lyon), from its website (www.cegid.com/societe_investisseur.asp) or from the website of the Autorité des Marchés Financiers (www.amf-france.org).

"Table of contents"

GENERAL INFORMATION ABOUT THE COMPANY

Name: Cegid Group

Head office: 52, quai Paul Sédallian, 69009 Lyon, France.

Legal form

Cegid Group is a French *société anonyme* with a Board of Directors governed by the laws and regulations in force, in particular the new articles of the French Commercial Code, as well as its bylaws.

Applicable law

French law.

Date of incorporation
Term

The company was created on August 26, 1983 for a term of ninety-nine years from the date of its registration in the Companies Register, unless extended or dissolved before term.

Corporate Purpose (Article 2 of the bylaws)

The purpose of the Company both in France and abroad is to:

- sell and provide information technology services;
- design, develop and sell computer software;
- provide training and assistance of any kind to users of computer hardware and software;
- conduct any kind of information technology activity for the accounting profession or for other businesses;
- conduct any kind of industrial, commercial or research activity related to electronic and information technology products and equipment, including in particular the manufacture, purchase, sale, wholesaling and maintenance of said products and equipment and, more generally, provide any service in the fields of electronics and information technology;
- purchase, sell and operate any kind of information system, both hardware and software;
- purchase and resell any kind of information technology equipment and any equipment related to the information technology business;
- purchase and resell information technology programs;
- purchase and resell office supplies and accessories.

To these ends, the Company may:

- create, acquire, sell, exchange, lease, as a lessee or lessor, with or without a commitment to sell, manage and operate directly or indirectly, any industrial and commercial establishments or other premises, production or construction sites, as well as moveable property and equipment;
- obtain or acquire any production patents, licenses, processes and brands; use, sell or contribute them or grant any operating licenses in any country;
- and generally conduct any type of commercial, industrial, financial transaction or transaction on moveable or immovable property directly or indirectly related to or that might further the company's purpose or facilitate the fulfillment thereof.

Companies register and codes

LYON RCS 327 888 111; NAF code: 6201Z;
ISIN code: FR 0000124703

Location where Company documents may be consulted

The bylaws, financial statements, reports and minutes of Shareholders' Meetings can be consulted at the head office: 52 quai Paul Sédallian, 69009 Lyon, France.

Fiscal year

The fiscal year commences January 1 and ends on December 31 of each year.

Distribution of earnings according to the bylaws (Article 30)

"The net income or loss for the year is equal to revenues less overheads and all other corporate expenses, including depreciation, amortization and provisions.

Before any distribution may be made, the amount that must by law be transferred to 'legal reserves' is first deducted from the fiscal year's net income, less prior losses, if any. This amount is equal to five percent (5%) of net income less prior losses until legal reserves reach one-tenth of the share capital. If, for any reason, legal reserves should subsequently fall below this percentage, the deduction becomes mandatory once again. Distributable earnings consist of the net income for the year less prior losses and the amounts transferred to legal reserves, plus retained earnings.

On the recommendation of the Board of Directors, shareholders may decide, in their Annual Meeting, to distribute all or part of net earnings as dividends, allocate them to reserve or capital amortization accounts or carry them forward as retained earnings. At the Annual Meeting during which the financial statements for the fiscal year are examined, shareholders may decide to grant themselves the option of receiving all or part of the dividend in cash or in shares.

At the Ordinary Shareholders' Meeting, the shareholders may also decide to pay the dividend in kind.

Shareholders may also use available reserves to pay dividends. In this case, the decision indicates specifically from which accounts the deductions are made.

Nevertheless, except in the case of a reduction in capital, no distribution shall be made to shareholders when shareholders' equity is, or would become following such distribution, less than the amount of share capital plus reserves that the law or the bylaws prohibit from being distributed."

Court of jurisdiction

The Commercial Court of Lyon.

Shareholders' Meetings (Articles 20-29 of the bylaws)

Article 20: Invitation to Shareholders' Meetings

"A notice of meeting is published in the BALO (Bulletin of Mandatory Legal Announcements) at least 35 days before the Meeting date and an invitation to the meeting is published in a journal of legal announcements in the département where the head office is located and in the BALO at least 15 days before the Meeting date. However, when the meeting is called pursuant to Article L.233-32 of the French Commercial Code, the timeframe within which the publication of a notice of a meeting in the BALO must take place is reduced to 15 days and the timeframe within which the publication of an invitation to the meeting in a journal of legal announcements in the département where the head office is located and in the BALO must take place is reduced to six days."

Access to Meetings - Powers (Article 22)

"All shareholders have the right to participate in Shareholders' Meetings and to take part in deliberations personally or through a proxy, regardless of the number of shares they own, on proof of their identity, by recording the shares in their name or in the name of the intermediary registered as acting on their behalf, in application of the seventh paragraph of Article L.228-1 of the French Commercial Code, at midnight, Paris time on the third business day preceding the meeting, either in a registered shares account held by the Company or in a bearer shares account held by the accredited intermediary."

Exercising voting rights

Thresholds specified in the bylaws

Article 11 of the bylaws stipulates that "any shareholder acquiring at least 2% of the share capital or any multiple thereof must inform the Company within 15 days by sending a registered letter (with return receipt) to the head office. If they are not so declared, the shares exceeding the fraction that should have been declared shall be deprived of their voting right, as provided by law, provided that one or more shareholders holding at least 5% of the share capital make such a request during the Shareholders' Meeting."

Voting rights

At the Special Shareholders' Meeting of May 12, 1986, shareholders implemented a double voting right for shares registered in the name of the same shareholder for at least two years. At the Special Shareholders' Meeting of June 23, 1989, shareholders increased the minimum registered timeframe to benefit from a double voting right from two years to four years (Article 24 of the bylaws).

Article 24 of the bylaws stipulates that "the voting right attached to shares shall be proportional to the share of capital they represent. Each share carries the right to one vote. Nonetheless, a double voting right is granted, in accordance with applicable law, on shares that have been registered for at least four years in the name of the same shareholder."

The double voting right ceases for any share that is converted to a bearer share or transferred, except for transfers resulting from inheritance or gifting, provided the shares remain in registered form. In the event of a grant of bonus shares, they benefit from a double voting right four years after they are registered in the name of the shareholder.

Double voting rights may be canceled via a decision of shareholders in a Special Shareholders' Meeting after ratification of beneficiaries in a Special Meeting of beneficiaries.

Changing share capital according to the bylaws (Article 7 of the bylaws)

The share capital may be increased by any method or manner authorized by law.

Amount of share capital subscribed, number and classes of existing shares

Share capital totals €8,771,404.15, divided into 9,233,057 shares with a par value of €0.95 each and fully paid up.

Unissued authorized capital

At their May 6, 2010 Special Meeting, shareholders authorized the Board of Directors to:

- Issue marketable securities while maintaining shareholders' preferential subscription rights pursuant to Articles L.225-129, L.225-129-2, L.228-91 and L.228-92 of the French Commercial Code, limited to a maximum par value ceiling of €30 million. These issues may consist of debt securities or be associated with the issuance of debt securities or allow for their issuance as intermediate securities within the limit of a par value of €200 million (or equivalent value).
- Increase share capital through capitalization of reserves, earnings or share premiums, limited to a maximum par value ceiling of €30 million.
- Issue marketable securities without preferential subscription rights, pursuant to Articles L.225-129, L.225-129-2, L.225-135, L.225-136, L.228-91, L.228-92 and L.228-93 of the French Commercial Code, limited to a maximum par value ceiling of €30 million. These issues may consist of debt securities or be associated with the issuance of debt securities or allow for their issuance as intermediate securities within the limit of a par value of €200 million (or equivalent value).
- Increase the amount of securities issued in the event of surplus demand.
- Issue shares and other securities and freely set their issue price.
- Increase the capital by up to 10% in consideration for contributions-in-kind.
- Issue bonus share warrants to Company shareholders.
- Use its authorization to increase or reduce share capital when the shares of the Company are subject to a public takeover offer.
- Use the powers granted under resolutions four, five, and six of the May 6, 2010 Special Shareholders' Meeting to carry out, pursuant to Article L.225-136 of the French Commercial Code, one or more issues of equity securities with waiver of preferential subscription rights via private placement, as allowed under Article L.411-2, II of the Monetary and Financial Code.

At their May 16, 2008 Special Meeting, shareholders authorized the Board of Directors to:

- Grant subscription-type and/or purchase-type stock options for the benefit of employees and/or executive officers of the companies in the Group.

Securities not representing capital

None.

Pledges of "pure" registered Cegid Group shares

As of December 31, 2010, 926,086 Cegid Group shares were pledged.

Assets pledged as security

As of December 31, 2010, no Cegid Group assets were pledged.

Securities giving access to share capital

On September 3, 2010, the Board of Directors of Cegid Group decided to use the authorization granted to it by shareholders in the first resolution of their December 22, 2009 Special Meeting and to issue redeemable share warrants (BAARs) to certain employees of Cegid and ICMI.

These warrants were described in a prospectus approved by the AMF on September 3, 2010 under number 10-302.

All 400,000 warrants offered were subscribed, giving those employees a financial stake in Cegid's future through potential access to the capital of Cegid Group.

These 400,000 warrants do not confer the right to subscribe to new shares, but exclusively to acquire existing shares. As such, the issue will not cause any dilution for existing shareholders.

As of December 31, 2010, there were no other securities giving access to the capital of Cegid Group.

TABLE OF CHANGES IN SHARE CAPITAL

Date	Transaction	Par value	Share premium	Capitalization of reserves or premiums	Par value per share	Number of shares	Total number of shares	Total share capital
1983	Creation	F250,000			F100	2,500	2,500	F250,000
	Issuance	F1,250,000			F100			
1986	IBCC/Cegid merger	F200	F12,800		F100	2	15,002	F1,500,200
	Conversion of bonds	F319,000	F14,674,000,		F100	3,190	18,192	F1,819,200
	Partial capitalization of share premiums			F14,553,600	F100	145,536	163,728	F16,372,800
	4-for-1 share split				F25	9,950	654,912	F16,372,800
	Employee subscriptions (stock-option plan)	F248,750	F3,825,775		F25	9,950	664,862	F16,621,550
	Issuance	F831,075	F55,682,025		F25	33,243	698,105	F17,452,625
1987	Issuance	F8,726,300			F25	349,052	1,047,157	F26,178,925
1988	CCMC exchange offer	F2,335,775	F32,233,695		F25	93,431	1,140,588	F28,514,700
	Exercise of A and B warrants	F150	F10,850		F25	6	1,140,594	F28,514,850
1994	Subscription-type stock options	F335,275	F3,097,941		F25	13,411	1,154,005	F28,850,125
1997	Merger with Cegid Informatique	F4,058,350			F25	162,334	1,316,339	F32,908,475
	Merger with Cegid Environnement Maintenance	F1,873,825			F25	74,953	1,391,292	F34,782,300
1997-1998	Conversion of bonds	F464,900	F11,994,420		F25	18,596	1,409,888	F35,247,200
1999	Servant Soft exchange offer	F702,825	F22,912,095		F25	28,113	1,438,001	F35,950,025
	Conversion of bonds	F1,785,775	F46,072,995		F25	71,431	1,509,432	F37,735,800
	Subscription-type stock options	F1,750	F57,750		F25	70	1,509,502	F37,737,550
2000	Conversion of bonds	F1,579,300	F40,745,940		F25	63,172	1,572,674	F39,316,850
	Conversion into euros, capital reduction		€-17,653.94	€-17,653.94	€3.80		1,572,674	€5,976,161.20
	Subscription-type stock options	€4,560	€150,938		€3.80	1,200	1,573,874	€5,980,721.20
2002	Cancelation of treasury shares – capital reduction	€-327,655	€-7,651,704		€3.80	-86,225	1,487,649	€5,653,066.20
2003	4-for-1 share split				€0.95		5,950,596	€5,653,066.20
2004	Share capital increase / contribution of Ccmx Holding shares	€2,365,467.70	€53,608,967.98		€0.95,	2,489,966	8,440,562	€8,018,533.90
	Subscription-type stock options	€6,612	€77,952		€0.95	6,960	8,447,522	€8,025,145.90
	Exercise of BSARs	€60.80	€1,759.36		€0.95	64	8,447,586	€8,025,206.70
2005	Subscription-type stock options	€132,769.15	€1,960,254.80		€0.95	139,757	8,587,343	€8,157,975.85
	Exercise of BSARs	€11.40	€329.88		€0.95	12	8,587,355	€8,157,987.25
2006	Subscription-type stock options	€53,808.00	€672,536.00		€0.95	56,640	8,643,995	€8,211,795.25
	Exercise of BSARs	€27,547.15	€797,119.84		€0.95	28,997	8,672,992	€8,239,342.40
2007	Subscription-type stock options	€15,120.20	€261,022.40		€0.95	15,916	8,688,908	€8,254,462.60
	Exercise of BSARs	€454,183.60	€12,510,617.62		€0.95	478,088	9,166,996	€8,708,646.20
	HCS/Cegid Group merger	€62,396.00	€1,695,917.15		€0.95	65,680	9,232,676	€8,771,042.20
2008	Exercise of BSARs	€2.85	€79.54		€0.95	3	9,232,679	€8,771,045.05
2009	Exercise of BSARs	€359.10	€9,879.36		€0.95	378	9,233,057	€8,771,404.15
2010							9,233,057	€8,771,404.15

CURRENT SHAREHOLDERS AND THEIR VOTING RIGHTS

Shareholders as of March 31, 2011

Shareholder	Number of shares	% of capital	Number of votes	% of voting rights
Groupama group (1)	2,482,531	26.89	2,482,531	26.08
Board members, of which:	1,002,743	10.86	1,429,252	15.01
- ICMI (2)	*927,604*	*10.05*	*1,352,742*	*14.21*
- Executive Board (3)	*75,139*	*0.81*	*76,510*	*0,.80*
Ulysse/Tocqueville Dividende/Odyssée (4)	573,661	6.21	713,661	7.50
Treasury shares (5)	419,331	4.54	NA	NA
Free float	4,754,791	51.5	4,893,300	51.41
TOTAL	**9,233,057**	**100.00**	**9,518,744**	**100.00**

(1) Groupama group corresponds to the following entities: Groupama SA, Gan Assurance Vie Compagnie Française d'Assurances Vie Mixte, Gan Eurocourtage Vie.
(2) ICMI is Cegid's lead holding company. Jean-Michel Aulas holds 99.95% of the shares, representing 99.96% of the voting rights.
(3) The Chairman, Chief Executive Officer and Board members are considered members of the Executive Board. Nevertheless, the percentage ownership of ICMI, a member of the Board of Directors, is listed separately in the table.
(4) Tocqueville Finance holds Cegid Group shares in the context of its fund management business (Ulysse/Tocqueville Dividende/FCP Odyssée, FCP SLC, FCP Sphynx Finance).
(5) Shares held by Cegid Group in connection with the liquidity contract and the share buyback program.

As of March 31, 2011, there were a total of 9,518,744 exercisable voting rights.

The Company requested a study of identifiable shareholders, which was carried out on January 31, 2011. The results of the study showed that 8,291 shareholders held their shares in bearer form and 896 in nominative form.

No significant variation has occurred between the date the table was prepared and the date the Reference Document was filed.

SHAREHOLDING CHANGES OVER THE PAST THREE YEARS

Shareholder	% of shares as of 12/31/2008	% of voting rights	% of shares as of 12/31/2009	% of voting rights	% of shares as of 12/31/2010	% of voting rights
Groupama group (1)	23.86	20.59	26.89	22.98	26.89	25.97
APAX (private equity fund)	11.34	19.58	10.78	19.03	4.21	4.69
Ulysse/Tocqueville Dividende/Odyssée (2)	7.33	7.64	6.97	7.49	6.21	7.47
Eurazeo	0.30	0.52	-	-	-	-
ICMI (3)	6.77	11.69	4.60	8.13	10.05	14.15
Executive Board (4)	0.67	0.61	0.69	0.62	0.81	0.80
Treasury shares (5)	NA	4.74	NA		4.63	NA
CPAs	0.79	0.94	0.79	0.94	0.79	0.80
Free float	44.03	38.43	44.54	40.81	46.41	46.12
TOTAL	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

(1) Groupama group corresponds to the following entities: Groupama SA, Gan Assurance Vie Compagnie Française d'Assurances Vie Mixte, Gan Eurocourtage Vie.
(2) Tocqueville Finance holds Cegid Group shares in the context of its fund management business (Ulysse/Tocqueville Dividende/FCP Odyssée, FCP SLC, FCP Sphynx Finance).
(3) As of 12/31/2010, Jean-Michel Aulas held 99.95% of the shares of ICMI, representing 99.96% of the voting rights.
(4) The Chairman, Chief Executive Officer and Board members are considered members of the Executive Board. Nevertheless, the percentage ownership of ICMI, a member of the Board of Directors, is listed separately in the table.
(5) Shares held by Cegid Group in connection with the liquidity contract and the share buyback program.

At March 31, 2011, to the best of the Company's knowledge, the Company's governing bodies held 11.96% of the capital, representing 16.35% of the voting rights.

Individuals and legal entities that can exercise direct or indirect control over the Company as of March 31, 2011

To the best of the Company's knowledge, and in view of the current shareholders and their voting rights, as detailed on page 33 of this document, no individual or legal entity controls Cegid Group, either directly or indirectly, as defined in Article L.233-3 of the French Commercial Code.

Ownership threshold disclosures

- In a letter dated January 14, 2010, AXA Rosenberg Group LLC informed Cegid Group that the number of shares it held had increased beyond the 2% threshold as of December 23, 2009. At that date, it held 185,367 shares, representing 2.01% of the share capital and 1.70% of the voting rights.
- In a letter dated April 16, 2010, ICMI informed Cegid and the Autorité des Marchés Financiers that it had exceeded the legal thresholds of 5% and 10% of share capital and 10% of voting rights. ICMI's ownership interest rose from 4.60% to 10% of share capital and from 8.83% to 14.12% of voting rights at Cegid Group's Shareholders' Meetings.
- In a letter dated April 15, 2010, Apax Partners, representing the Apax and Altamir Amboise funds, informed Cegid that the portion of share capital it held had declined below the 10% threshold and that the voting rights it held had declined below the 15% and 10% thresholds. Apax Partners, representing the Apax and Altamir Amboise funds, reduced its interest to 5.38% of share capital and 6% of voting rights at Cegid Group's Shareholders' Meetings.
- On October 1, 2010, the Autorité des Marchés Financiers received a letter indicating that on September 29, 2010, the concert group formed by Apax Partners, Altamir Amboise and Apax Parallel Investment had reduced its holding to less than 5% of share capital of Cegid Group and that it held 455,437 Cegid Group shares and 525,409 voting rights, representing 4.93% of share capital and 5.26% of voting rights.
- On October 11, 2010, the Autorité des Marchés Financiers received a letter indicating that on September 29, 2010, the concert group formed by Apax Partners, Altamir Amboise and Apax Parallel Investment had reduced its holding to less than 5% of the voting rights of Cegid Group and that it held 421,991 Cegid Group shares and 486,824 voting rights, representing 4.57% of share capital and 4.87% of voting rights.
- In a letter received on January 13, 2011, CM-CIC Asset Management declared, on behalf of the mutual funds it manages, that its ownership interest had increased beyond the threshold of 2% of the share capital and voting rights of the Company, as specified in the by-laws. As of January 6, 2011, CM-CIC Asset Management held 247,000 shares and voting rights, distributed among four mutual funds.
- In a letter received on February 14, 2011, CM-CIC Asset Management declared, on behalf of the mutual funds it manages, that its ownership interest had increased beyond the threshold of 2% of the share capital and voting rights of the Company, as specified in the by-laws. As of February 10, 2011, CM-CIC Asset Management held 262,875 shares and voting rights, distributed among five mutual funds.
- In a letter received on February 14, 2011, Sycomore Asset Management declared, on behalf of the mutual funds it manages, that its ownership interest had increased beyond the threshold of 2% of the share capital and voting rights of the Company, as specified in the by-laws. As of January 20, 2011, Sycomore Asset Management held 300,000 shares and voting rights.
- In a letter dated April 8, 2011, Tocqueville Finance informed Cegid Group that its ownership interest had declined below the 6% threshold specified in the bylaws and that as of that date it held 549,461 shares in the context of its mutual fund management business, representing 5.95% of the capital.

Agreements between shareholders (Article L.233-11 of the French Commercial Code)

A shareholder agreement, signed December 19, 2007, between ICMI, a "simplified share company"(1), Groupama SA and Jean-Michel Aulas

As of December 19, 2007, the parties to the agreement held the following ownership interests in Cegid Group (2):

	Shares	% capital	Voting rights	% voting rights
ICMI (1)	625,138	6.77	1,250,276	12.42
Groupama SA	1,590,909	17.23	1,590,909	15.80

The agreement includes:

- A restriction on share disposals: ICMI agrees with Groupama SA not to sell all or part of its shares to an identified third party that is a competitor of Groupama SA, i.e. an insurance company or a credit institution.
  In the event of a sale to another identified third party, ICMI shall ensure that such third party confirms its intention to pursue the partnership and shall obtain an identical commitment from any third party to which it might sell its shares. This commitment shall remain associated with the Cegid shares for 10 years.
  ICMI shall remain free to sell its shares to an unidentified third party in the market.
- A commitment to sell: in the event Jean-Michel Aulas should be removed as Chairman of the Board of Directors of Cegid Group, Groupama SA shall have the option, for 15 days following his removal, to purchase the Cegid Group shares held by ICMI.
  At the expiration of the sale commitment, ICMI agrees irrevocably to sell its shares to Groupama SA or to any other person that Groupama might designate. If the commitment is called, the shares shall be sold at a unit price of €55 or, if applicable, the unit price resulting from the application of the adjustment mechanism stipulated for the shares Groupama SA has acquired (3).
  The agreement shall remain in effect for 10 years, and for as long as the parties maintain an ownership interest in Cegid Group. It shall be automatically terminated if Jean-Michel Aulas is removed as Chairman of the Board of Directors of Cegid Group or in the event of early termination of the strategic agreement (3).

An agreement in principle, signed December 19, 2007, between ICMI, a "simplified share company", Groupama SA, APAX [4] and Eurazeo SA

In general, APAX and Eurazeo (the cedants) agree not to sell their Cegid Group shares to an identified third party that would be a competitor of Groupama SA without Groupama's express prior consent.

In the event the cedants plan (i) to sell 3% or less of the shares of Cegid Group to an identified fund whose fund manager is controlled, directly or indirectly, by the same insurance company or same credit institution for a period of six consecutive months, or (ii) to sell more than 3% of the shares of Cegid Group to an unidentified third party, Groupama SA and ICMI shall be notified of the planned sale.

Groupama SA and ICMI would then have a right of first refusal and could, within 48 hours, offer in writing to buy from the cedants all of the shares planned to be sold at a price per share equal to the closing price on the trading day immediately prior to the notification. Such offer shall constitute an irrevocable offer to acquire the block of shares at such price.

Any identified third party that acquires at least 3% of the shares of Cegid Group shall declare that he does not intend to use his shareholder rights to abrogate the strategic partnership [3] and shall obtain the same commitment from any other third party to whom he might sell his shares. This commitment shall remain associated with the Cegid shares for 10 years.

As of the date of this Reference Document, the Apax and Eurazeo funds no longer held any Cegid Group shares.

[1] Company controlled by Jean-Michel Aulas.
[2] Based on a share capital composed of 9,232,674 shares representing 10,067,505 voting rights, pursuant to paragraph 2 of Article 223-11 of the General Regulation of the AMF.
[3] See press release of December 19, 2007.
[4] Specifically the venture capital funds Apax France IV, Apax France VA and Apax France VB, the Delaware law limited partnership Apax Parallel Investment I and the limited share partnership Altamir Amboise SCA, acting separately.

A right of first refusal agreement, signed April 11, 2010, between ICMI and the Apax funds

ICMI and the venture capital funds Apax France IV, Apax France VA and Apax France VB, represented by fund manager Apax Partners and Apax Parallel Investment I, Altamir Amboise SCA, collectively referred to as "Apax", entered into an agreement on April 11, 2010 stipulating that any Cegid Group shares Apax transfers to a third party are subject to a right of first refusal granted to ICMI under the following terms:

This right of first refusal shall apply to any transactions, subject to valuable consideration or not and which, for any reason, leads to a transfer of ownership of more than ten thousand (10,000) shares for a price per share of less than €21.15.

This right of first refusal agreement shall remain in force until the earlier of the following two dates: (i) the date on which Apax's holding drops below the threshold of one [1] percent of the Company's share capital or (ii) 18 months after the signing of the right of first refusal agreement.

As of the date of this Reference Document, the Apax funds no longer held any Cegid Group shares. The right of first refusal agreement described above was never put into effect and is now null and void.

Share buyback program

The Company has a share buyback program authorizing it to acquire up to 10% of the number of shares comprising the share capital as of the May 6, 2010 Shareholders' Meeting. A new share buyback plan will be proposed to shareholders at their Ordinary Shareholders' Meeting on May 19, 2011. The terms of the plan are presented on page 133 of this Reference Document. Since passage of the "Law for the confidence and modernization of the economy" (No.2005-842 of July 26, 2005), the approval procedure for the buyback plan prospectus has been eliminated.

Cegid group shares

The Cegid Group share (ISIN Code 0000124703) is listed on Euronext Paris Compartment B and is included in the Small, Mid and Small, All-Tradable and ITCAC indices.

Month	2009				2010				2011			
	Highest €	Lowest €	Volume (shares)	Volume (€M)	Highest €	Lowest €	Volume (shares)	Volume (€M)	Highest €	Lowest €	Volume (shares)	Volume (€M)
January	9.05	6.80	107,471	0.85	19.89	15.51	152,427	2.62	24.00	21.48	442,412	9.96
February	7.90	5.95	91,332	0.64	20.80	18.70	148,525	2.95	22.22	21.30	214,129	4.66
March	9.10	6.04	297,605	2.40	24.00	19.60	198,978	4.44	21.90	20.05	269,091	5.69
April	11.50	8.70	223,335	2.30	23.00	20.15	688,111	14.73				
May	12.30	9.95	330,301	3.64	22.20	19.40	215,823	4.51				
June	14.12	11.11	452,503	6.03	22.30	19.52	128,927	2.68				
July	15.95	13.20	270,427	3.83	22.25	18.50	151,069	3.10				
August	17.70	16.00	187,164	3.19	21.25	19.64	77,247	1.59				
September	17.15	15.50	106,277	1.75	21.50	19.50	217,417	4.40				
October	16.90	14.75	213,123	3.42	24.30	20.86	244,967	5.56				
November	17.35	15.30	119,125	1.97	24.89	20.85	195,559	4.53				
December	16.98	15.31	98,743	1.58	22.83	20.80	184,776	4.03				
TOTAL			**2,497,406**	**31.60**			**2,603,826**	**55.14**			**656,541**	**14.62**

Source : Euronext.

Dividends

The table below provides a comparison of dividends paid over the past five fiscal years. Dividends that are not claimed within five years of their payment date are deemed to have lapsed and are paid to the State.

Fiscal year	Dividend per share
On 2006 earnings	€0,95
On 2007 earnings	€1,00
On 2008 earnings	€1,00
On 2009 earnings	€1,05
On 2010 earnings (1)	€1,05

(1) The proposed dividend will be submitted for shareholder approval at the May 19, 2011 Shareholders' Meeting. The amount distributed to individual shareholders as a dividend is fully eligible for the 40% exclusion provided for under Article 158 of the French Tax Code, amended by the 2006 Budget Act of December 30, 2005.

Information policy

The Company's policy is to provide regular financial information to the market. In particular, the Company provides information after the Board of Directors meets to approve the annual and semi-annual financial statements and it announces quarterly sales figures and acquisitions via press conferences, information meetings and media releases. The company also publishes legally required notices in the BALO (Bulletin of Mandatory Legal Announcements).

In 2007 Cegid Group participated in the following events:

- SFAF information meetings: March 3, 2010 and July 22, 2010.
- Individual meetings or phone calls with fund managers and French or foreign analysts and journalists, usually organized by brokers who cover Cegid.

Press releases, other financial notices and slideshows are available, in French and English, on Cegid Group's website: http://www.cegid.com/societe_investisseur.asp

Financial notices are also published by Hugin, a professional distributor of regulatory information.

“Information about the issuer's business”

Dear Shareholders,

We present to you herewith the management report of the Company and the Group for the fiscal year ended December 31, 2010.

The economic environment has improved slightly but remains very volatile. Against this background, your Group has continued to grow its strategic businesses. Revenue from solutions in SaaS (Software as a service) mode rose 23%, and license revenue advanced by 12%, while revenue from international subsidiaries surged 35%. Results, meanwhile, remained at satisfactory levels.

Specifically, EBITDA reached its highest ever in 2010 at €60.4 million (€59.4 million in 2009). After subtracting non-cash depreciation and amortization, which rose €3.3 million in 2010, income from ordinary activities stood at €27.0 million (€28.5 million in 2009), while net income totaled €19.3 million (€17.9 million in 2009). The Group's financial structure remained sound. After accounting for acquisitions carried out at the end of 2010, gearing at 12/31/2010 (39%) was equivalent to that of the previous year-end.

HIGHLIGHTS OF THE YEAR

Good operating performance

Increase in revenue from strategic businesses: International (up 35%), SaaS (up 23%) and Licenses (up 12%)

For the year ended December 31, 2010, the Group posted sales of €249.6 million, with 12% growth in Licenses over the full year. Sales of software in SaaS mode (€16 million) grew faster than the market, rising more than 23% and making Cegid a major player in this market segment. Overall, revenue from the strategic software and SaaS businesses rose by nearly 13%.

Revenue from "Licenses and Integration services" remained at the same level as that achieved in 2009 despite weaker performance in Integration services.

Recurrent sales of €124 million represented 50% of total sales, the highest annual percentage ever, as SaaS sales ramped up and the customer support business remained healthy.

Internationally, Cegid saw significant growth in the Retail segment, where sales advanced by 35%, excluding recurrent contracts.

Healthy performance and increase in net income

Since November 2009, expenses related to outsourcing the logistics and equipment preparation activities have been recognized in purchases. Other purchasing costs, meanwhile, have been tightly controlled. After taking these factors into account, improvement in the product mix led to a gross margin of 86.5%.

2010 EBITDA was €60.4 million, up slightly from 2009 (€59.4 million). Income from ordinary activities was €27.0 million, vs. €28.5 million in 2009. This reflected certain non-cash items, including an increase of €3.3 million in depreciation & amortization, due principally to higher amortization of development costs. The margin on ordinary activities was 10.8% of consolidated sales.

After reversing a €2 million provision for risk and part of negative goodwill recognized in connection with a business combination, and subtracting improved net financial expense and corporate income tax, net income was €19.3 million, up from €17.9 million in the previous year.

Firm financial structure

Cash flow generated by the business rose slightly, from €55.5 million in 2009 to €57.3 million in 2010. Cash flow after interest and tax paid was €48.2 million (vs. €53.8 million in 2009). Of the €9 million difference, €7.8 million represented tax paid in 2010, vs. zero in 2009. This change came about because tax-loss carryforwards recognized in connection with business combinations were used until December 31, 2009, reducing tax paid.

Net debt at December 31, 2010 (€67.9 million) reflected the investments carried out in connection with acquisitions (€6.2 million). Gearing stood at 39% at December 31, 2010, equivalent to that of December 31, 2009.

Cegid's positioning on its areas of expertise strengthened through more acquisitions and partnerships

Public sector: Cegid steps up business development with the acquisition of VISA Informatique

After acquiring Civitas in September 2008, Cegid Group acquired 100% of the shares of the VISA group, a provider of business software for local authorities, making it a major player in the public sector market with pro forma sales of €20 million.

VISA Informatique, the group's principal operating subsidiary, develops and distributes business software for financial management, human resources and services to small and mid-sized local authorities.

Founded in 1980 and located principally in Loudon in the Vienne département, Visa Informatique has 79 employees and an installed base of almost 3,000 customers. The company has sales of approximately €6 million, nearly 60% of which is recurring business.

Through this acquisition, VISA Informatique employees will work in synergy with Cegid, pursuing the common goal of developing the Yourcegid Public Sector product range. They will focus on local authorities, a market segment worth more than €200 million* that is undergoing profound change, with growth estimated at 5% p.a.**

Moreover, the SaaS mode, where Cegid is growing by more than 20% p.a., will constitute a major opportunity for local authorities, VISA Informatique's customer base, which must reduce their budgets and pool resources.

In this regard, Cegid/Civitas-Visa have combined their strengths to offer a turnkey solution, "SimpliCity", developed by Civitas, for managing finances and human resources. The solution is available exclusively in On Demand/SaaS mode through the dedicated "SimpliCity" portal.

This acquisition will also strengthen Cegid's strategic agreement with Groupama-Gan Assurances (leading insurer for local authorities) through the macollectivite.com services portal.

* (software and computer services, excluding hardware and infrastructure software)
** Source: PAC 2009

Human resources: Cegid steps up its positioning in the Payroll/HR market

Acquisition of Vedior Front RH

With an installed base of nearly 19,000 client companies using a payroll or HR information system, generating more than four million payslips every month and delivering 220,000 payslips in SaaS mode, Cegid is a major player in the Payroll/HR market for companies of all sizes in both the private and public sectors (the latter through Civitas).

With the acquisition of Vedior Front RH, a provider of payroll/HR software, Cegid has stepped up its growth in this market and now offers new HR services to assist corporate human resources departments, whose profession is undergoing profound change. Vedior has 19 employees and generates sales of around €1.4 million, of which 50% derives from recurrent contracts. When acquired, Vedior Front RH became Cegid Front RH. Since then all assets and liabilities were transferred to Cegid SA.

Partnership with Octime on time management software

Cegid and Octime have signed a partnership agreement to use their respective product ranges to strengthen interoperability between payroll and HR administration software on the one hand and time management and scheduling solutions on the other.

The two providers, leveraging their expertise in human resources in retailing, services, the hospitality industry, manufacturing, healthcare and the public sector, offer highly complementary functionality. This agreement is in line with Cegid's strategy to build alliances. Cegid thereby enriches its product line and offers On Premise, Octime's time management and scheduling solution, in either licensing or SaaS mode.

Axeteam gives Cegid new expertise in contract management for service companies

Cegid has acquired 100% of the shares of Axeteam, developer and integrator of Syges, an enterprise solution for service companies. With this acquisition, Cegid has gained new expertise to accelerate its growth in contract management software for service companies. Axeteam has three employees and sales of €0.4 million. The founder of Axeteam will head the department dedicated to services companies.

New Finance ERP solutions in On Demand mode

Distribution of Yourcegid Cash Management with Kyriba

To respond to the growing needs of companies in cash management and in adjusting to changes in bank communication standards, Cegid has added Yourcegid Cash Management On Demand, a cash management solution provided by Kyriba, to its suite of finance solutions.

Cash Management On Demand is available in SaaS mode and covers the full range of cash, financing, investment and payment management, as well as ledger reconciliation. It also imports forecasts from Cegid's accounting solutions or from other accounting programs.

This partnership is right in line with Cegid's strategy and offers customers an array of services articulated around its own solutions and those of its partners. It handles changing bank communications standards, while developing an ecosystem in a fast-growing SaaS environment.

Agreement with Sidetrade to distribute the Yourcegid Customer Credit accounts receivable management solution

After implementing Cash On Demand for its own accounts receivable management needs, Cegid signed an agreement to distribute the solution to its customers. This agreement is an expression of Cegid's strategy to offer a finance "cloud" incorporating partner solutions so as to offer companies the market's most complete and most efficient set of financial applications, enabling them to reduce and optimize customer payment terms and in so doing, minimize customer risk.

The Yourcegid Finance Customer Credit solution integrates natively with all Yourcegid Finance applications. With a simple subscription for an unlimited number of users, this SaaS application yields a rapid, measurable return on investment. Available in eight languages, Yourcegid Finance Customer Credit is intuitive, powerful and easy to deploy.

Cegid strengthened its ties with agricultural accounting oversight agencies recently brought into the Ordre des Experts Comptables (CPA industry body)

The entities previously authorized to handle accounting for small companies have been eliminated and the associations taking their place - "AGCs" - have been incorporated into the Ordre des Experts Comptables (CPA industry body). In response, Cegid has developed functions for its CPA solutions that cater to the agricultural industry, which represents 70% of the AGCs' business.

Cegid now has a comprehensive response to the needs of these entities. They often represent a large user community - 100 to 650 work stations each - and are highly integrated into the rural economy. An even more complete version, including an agricultural business management module and all the necessary agricultural functions, was released in 2010. Cegid will continue its efforts in this direction in 2011 and in particular sector-specific versions of the business management module.

Several AGCs, representing more 3,000 users, have already chosen Cegid. A thousand of them have chosen SaaS-mode delivery, and Cegid is positioned as a key player in this market.

New initiatives in SaaS-mode solutions

Created in March 2009, the Cegid Interactive division continued to enrich its On Demand catalogue of services in 2010. It created vertical solutions for CPAs and mid-sized specialist retailing chains, and signed its first agreements with local authorities and other public services. The SaaS portfolio has also been enriched by the addition of applications for other corporate functions, such as consolidation, or services such as messaging. As part of its strategy to build sets of applications and services to complement its own solutions, Cegid signed a partnership agreement with Kyriba for cash management functionality and with Novapost for creating and managing paperless payslips.

Launch of Cegid Expert On Demand for CPAs

Cegid has also expanded its SaaS-based vertical solutions with the launch of a set of secure, on-line applications dedicated to the accounting profession. The solution helps CPA firms to develop their business by facilitating access, increasing security and making it easy and comfortable to work in "every time/everywhere" mode, while Cegid takes care of all the IT operations aspects of the solution hosted on its platform. In addition, the subscriber pays a fee based on usage (new users, new functional needs) and has full control over the budget allocated to the software.

Launch of Démat Doc'RH

By including HR document automation in the Yourcegid Human Resources product line, Cegid optimizes HR processes by offering HR departments an innovative solution suited to their paperless document and archiving needs.

To develop this solution, Cegid drew on the know-how of two experienced technology partners: Novapost, the supplier of the service platform, and CDC Arkhinéo, a subsidiary of the Caisse des Dépôts et Consignations and a specialist in probative-value archiving.

The solution guarantees that employee documents are archived for 45 years in the employee's name, even if he or she no longer works for the company. It gives employees access to their personal electronic vault, in which all of their payslips and other documents are safeguarded. Cegid's principal challenge was to offer companies an economical solution that could be implemented in less than a week and would be perfectly integrated with their payroll processes, from payslip calculation, generation and issuance to paperless distribution and archiving.

Cegid Hosted Exchange, a professional messaging solution

Cegid expanded its suite of SaaS services by launching Cegid Hosted Exchange, a complete, web-accessible professional messaging solution enabling users to set up secure, collaborative solutions while keeping operating costs to a minimum.

Cegid's new messaging solution runs in hosted mode and comprises three complete services: a professional, two-level e-mail service (Hosted Exchange Mail and Hosted Exchange Organizer) and an expanded suite of services (Hosted Exchange Teamwork) incorporating the Outlook environment and providing access to all data-sharing functions, such as e-mail, calendar, tasks and contact lists. The solution is compatible with PDAs, smartphones and laptops.

A new division devoted to very small companies

After creating the "Cegid Interactive" division in March 2009 to meet the market's needs for SaaS-based applications and services, Cegid took another step in this direction by creating an new division called "Entrepreneurs and Associations", dedicated to entrepreneurs, small companies and not-for-profit entities – 12,000 small companies already use Cegid on-line services on a daily basis – and offering the entire product range exclusively in SaaS mode.

Cegid Education continued to grow in the academic world

Launched in June 2004, the Cegid Education program enables high schools, universities and "grandes écoles" (business schools and other graduate schools) to put management solutions tailored to the needs of business in the hands of tomorrow's professional users.

Cegid's ERP solutions have been officially recognized and certified by the French Ministry of Education since 2005 as an important teaching tool.

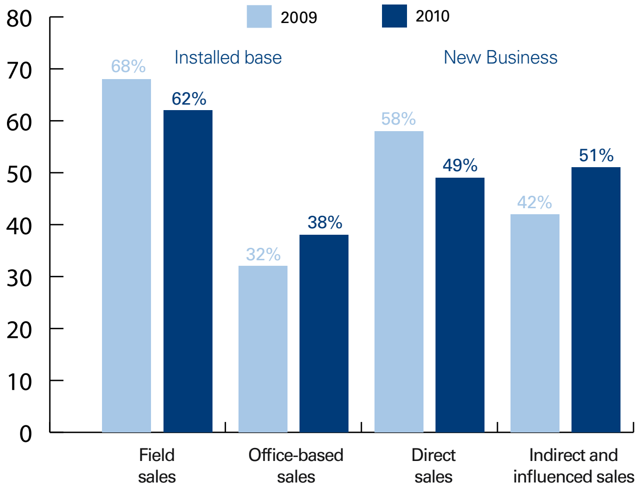
Cegid Education supported, among other things, efforts to bring together the academic and corporate worlds. It sponsored the Junior World Economic Forum organized by the EM Lyon business school and participated in the Emerging Economies and Technologies chair. It also continued to work with ARTEM's "Innovation" chair on the subject of "entrepreneurs and innovation".

Cegid Education is now present in more than 700 institutions of higher learning (prestigious business schools, universities, professional training centers) and has trained 35,000 students in the use of Cegid solutions.

In 2010, Cegid Education also made its first forays outside France, specifically in Morocco and Spain.

Multi-channel approach

Cegid has developed new sales channels both to reach its installed base (office-based salespeople) and attract new business (a network of VARs and integrator-partners who recommend Cegid solutions).



Cegid Store: on-line boutiques dedicated to both industry-specific and functional solutions

In 2010, Cegid launched its e-commerce portal "Cegid Store" to step up B-to-B sales and intensify its customer contact. Simple, intuitive and available 24/7, the "Cegid Store" makes it easy for all Cegid customers to find the appropriate service or solution in the boutiques devoted to each of the industries and functional areas covered by Cegid. The portal will be extended in 2011 to prospects and approved distributors.

Cegid YES, a portal for the network of distributors

During the year, Cegid launched "Cegid YES!", a portal for the network of "Cegid Partners". Distributors of Cegid solutions can use it to offer on-line business services to their small company and association customers, thereby enabling them to take advantage of the growing SaaS-based market.

In this way, "Cegid YES!", available 24/7 and exclusively in SaaS mode via the network of distributors, enables entrepreneurs and associations to benefit from a collaborative service mode and optimal security.

Three service levels are offered: Yourcegid Entrepreneurs, a simple accounting solution intended for start-up companies, independent professionals and other small companies of less than five employees; Cegid Business Line, the leading enterprise solution for companies with 5-50 employees; and Yourcegid Associations, a receipts-expenditures accounting solution for small, tax-free associations.

Furthermore, "Cegid YES!" offers a range of information and communication services such as access to news bulletins and advice. Customers can also upload documents, such as the company's tax return, a copy of the certificate of company registration or employee payslips, so that they are available whenever needed. In addition, the calendar function can be used to generate reminders of tax and payroll related deadlines.

Cegid YES! is available under a white label arrangement, enabling Cegid Partners to customize the solution and the services they offer to their customers, while combining them with their own services.

Business development continued abroad

Cegid's international expansion is based on three strategic objectives:

- become a world-class player in management solutions for the Retail sectors (in 2010, nearly 30% of our Retail business derived from abroad);
- support customers and enable them to deploy their business management solutions on the three principal continents (North America, Europe, Asia),
- offer solutions for accounting professionals in French-speaking countries through partnerships and the sale of software to the foreign offices of international accounting firms.

In 2010, Cegid saw its international activities accelerate. Solutions were deployed for global customers, contracts were signed with new local customers in all countries where the Group is present, and sales in partnership with local distributors and worldwide integrators increased. Examples include Les Lolitas in Italy, Pastime in the UK and Rida Jeans in Morocco.

Leveraging its ability to deploy Yourcegid Retail solutions in more than 67 countries and in more than 27 languages, Cegid has acquired significant international customers such as Occitane, Longchamp and Lafuma in Asia, Europe and North America.

Cegid now has a network of more than 25 partners, through which it can step up its business development, strengthen its local presence and continue localizing its software with the benefit of local expertise. These advantages enable Cegid to:

- strengthen its presence in countries where Cegid already has a subsidiary (agreements have been signed in the UK, Italy, Spain and the US);
- be present via distributors (Belgium, Netherlands, Poland, Russia, Greece, Ecuador, Canada, Algeria, Morocco, Tunisia, and others).

Cegid and Tectura Corporation, a worldwide consulting and integration services company, have consolidated their strategic partnership in specialist retailing in the Americas. Signed in 2008 and designed around Yourcegid Retail solutions, this partnership was initially limited to the Asia-Pacific region. Now it will enable Tectura to enrich its range of solutions for fashion and luxury industry companies in all of these regions.

Ramp-up of services developed by Cegid and Groupama/Gan Assurances under their strategic agreement

In 2010, Cegid launched "Wexperandyou", the new portal for CPAs, which includes all of the services developed through Cegid's agreements with Groupama/Gan Assurances. Intended for accounting professionals, "Wexperandyou" is a full-service platform, offering several collaborative forums: one for obtaining information and discussing the future of their profession, one for sharing good practices in developing new consulting assignments, one with specialized and interactive tools and one for distance learning about new assignments and associated applications. Following "Owner-executive status", "Calculation of retirement bonuses", and "Optimization of owner-executive's compensation", developed in 2009, "Detecting new assignments" and "Reminders" have now joined the family of decision-support tools dedicated to CPAs. These decision-support tools automatically integrate the accounting and employment data deriving from accounting documents produced by CPA firms. They are part of a strategy aimed at enabling CPAs to detect and develop complementary, high value-added assignments based on the data in their customers' files.

At the same time, Comptanoo continued to seek additional complementary partnerships so as to enrich the professional content that the "Wexperandyou" and "Comptanoo" portals offer to CPAs and entrepreneurs, respectively. A joint venture created by Groupama and Cegid to develop interactive solutions for companies and their professional advisors, Comptanoo also holds the intellectual property rights associated with the products and services deriving from the two companies' strategic agreements. These portals foster the development of consulting services offered by CPAs and promote the products and services of Cegid and Groupama/Gan Assurances.

Finally, as part of its strategic agreements, Cegid emphasized its commitment to increase its presence in the public sector, where Groupama is a significant insurance provider. Beginning in 2008, this commitment found expression in the acquisition of Civitas and was strengthened in December 2010 with the acquisition of Visa Informatique. As a result, Cegid has become a major player in the public sector with aggregate 2010 sales of €20 million.

The e-commerce portal "macollectivité.com", launched in November 2010, will gradually integrate SaaS-mode solutions enriched with related content. "SimpliCity", an application developed specifically for financial management and human resources for small local authorities, is already available. "Macollectivité.com" now has 1,500 members.

Cegid launches a new brand: Yourcegid

Cegid has created the "Yourcegid" brand to federate all of its enterprise solutions around a single identity, exemplifying its commitment to customers.

In an effort to strengthen the message of specialization and expertise in each area, all solutions will gradually be incorporated under the Yourcegid banner. This will enable customers to build the unique "Yourcegid" solution that responds to the issues they face, by calling upon all of Cegid's expertise as dictated by their needs.

- Functional expertise: human resources, finance, taxation, performance management;
- Vertical expertise: retail, manufacturing, hospitality, services, wholesale, public sector, associations, CPAs and entrepreneurs.

Cegid renews its €200 million syndicated line of credit, consolidating its financial capacity into the medium term

Cegid has finalized the renewal of its €200 million syndicated line of credit. Coordinated by CIC-Lyonnaise de Banque, BECM, and Société Générale as mandated arrangers, the eight-bank syndicate also includes LCL, BNP Paribas, Banque Rhône-Alpes, Natixis et HSBC France.

This purpose of this new credit facility is to finance the Group's general and investment needs, including acquisition financing. The line has an initial term of five years, extendible to seven, and will gradually replace the syndicated line of credit granted in July 2006.

The fact that Cegid's banking partners have renewed the credit facility reflects the confidence they have in the Group's future, while bolstering Cegid's ambitious growth strategy, both in France and abroad.

Redeemable share warrants (BAARs)

On September 3, 2010, the Board of Directors of Cegid Group decided to use the authorization granted to it by shareholders in the first resolution of their December 22, 2009 Special Meeting and to issue redeemable share warrants (BAARs) to certain employees of Cegid and ICMI.

These warrants were described in a prospectus, which was assigned file no. 10-302 by the AMF on September 3, 2010.

All 400,000 BAARs offered were subscribed, giving those employees a financial stake in Cegid's future through potential access to the capital of Cegid Group.

The 400,000 warrants do not confer the right to subscribe to new shares, but exclusively to acquire existing shares. As such, the issue will not cause any dilution for existing shareholders.

Change in the ownership stake of Cegid Group

ICMI, an investment company owned by Jean-Michel Aulas and Cegid's lead shareholder, increased its stake in Cegid Group so as to continue supporting Cegid Group as it grows.

On April 11, 2010, ICMI acquired half of the stake in Cegid Group owned by the Apax funds, or 498,466 shares, representing 5.40% of the Company's share capital as of the date of the acquisition.

As of that date, ICMI's ownership interest in Cegid Group thus rose from 4.60% to 10% and its voting rights at Cegid Group's Shareholders' Meetings from 8.83% to 14.12%. ICMI also had a right of first refusal for a maximum of 18 months on the rest of the shares held by Apax, subject to certain conditions related to the share price of Cegid Group. These conditions were not met, and the Apax fund informed Cegid Group that it had sold the rest of its holding.

CONSOLIDATED SALES AND EARNINGS

The Group's consolidated financial statements have been prepared, pursuant to EC regulation 1606-2002, in accordance with the IFRSs adopted by the European Union as of December 31, 2010.

2010 was a successful year

Consolidated sales: €249.6 million (€248.6 million in 2009)
EBITDA up: €60.4 million (€59.4 million in 2009)
Income from ordinary activities: €27.0 million (€28.5 million in 2009)
Net income: €19.3 million (€17.9 million in 2009)
Cash flow generated by the business: €57.5 million (€55.5 million in 2009)

Consolidated figures, in € M	2010	2009	Change
Sales [1]	249.6	248.6	+0.4%
EBITDA	60.4	59.4	+1.8%
Income from ordinary activities	27.0	28.5	-5.2%
Operating income	30.8	26.5	+16.1%
Net financial expense	-1.4	-2.5	+43.6%
Income tax	-9.7	-6.1	-59.8%
Net income attributable to parent company shareholders	19.3	17.9	+7.9%
Net margin	7.7%	7.2%	

[1] Net effect of changes in the scope of consolidation over all of 2010: €0.9 million (Cegid Front RH was consolidated from July 1, 2010 and Axeteam from December 1, 2010).

Sales for all of 2010 reflected a decline in the "Hardware and installation" business of €2.3 million, unadjusted for changes in the scope of consolidation.

Consolidated income statement

Consolidated 2010 sales totaled €249.6 million, vs. €248.6 million in 2009, representing growth of 0.4%. After taking into account the €2.3 million decline in "Hardware and installation" sales (down 12.4%), sales were stable.

Revenue from "Licenses" advanced by 12% (up 11.5% at constant scope). Sales of software in SaaS mode also grew. They rose by more than 23% (€16 million), faster than the market trend, making Cegid a major player in this segment. Overall, revenue from the strategic software provider business (software sales and SaaS) rose by nearly 13%.

Revenue from "Licenses and Integration services" remained at the same level as that achieved in 2009 despite weaker performance in Integration services.

Recurrent sales of €124 million represented 50% of total sales, the highest annual percentage ever, as SaaS sales ramped up and the customer support business remained healthy.

As of January 1, 2011, recurrent contracts represented a portfolio of more than €127 million, including acquisitions during 2010. The renewal rate in the software provider business in 2010 was 95%.

EBITDA was €60.4 million, or 24.2% of sales (€59.4 million, or 23.9% of sales in 2009), representing growth of nearly €1 million.

Income from ordinary activities reflected certain non-cash items, including an increase of more than €3 million in depreciation and amortization, chiefly of development costs and identified assets from business combinations.

Income from ordinary activities was €27 million (€28.5 million in 2009) after accounting for €32.1 million in depreciation, amortization and provisions, up €1.9 million from 2009.

The consolidated margin on ordinary activities was 10.8% of consolidated sales, vs. 11.5% in 2009.

Excluding the 2010 increase in amortization of development costs, income from ordinary activities totaled €29.6 million, representing a consolidated margin on ordinary activities of 11.9%, slightly higher than that of the previous year.

Operating income totaled €30.8 million, vs. €26.5 million in 2009. It included the reversal of a provision for risks recognized in 2008 following a business combination, and the recognition of a portion of negative goodwill deriving from a business combination.

Net financial expense, which included principally interest paid on drawdowns under the syndicated line of credit and interest earned on invested cash, improved substantially to €1.4 million, vs. €2.5 million in 2009.

Income tax totaled €9.7 million, vs. €6.1 million in 2009. This amount reflected tax savings related to debt forgiveness of €1.9 million in favor of loss-making foreign subsidiaries.

Net income totaled €19.3 million in 2010, an increase from €17.9 million posted in 2009.

Consolidated balance sheet: sound financial structure and reasonable gearing

Shareholders' equity before allocation of earnings totaled €173.9 million. After including medium-term bank loans and provisions for contingencies and losses, long-term capital totaled €252.8 million. Non-current assets totaled €272.3 million at December 31, 2010. They included €198.6 million in goodwill and identified assets acquired through business combinations and €57.8 million in development costs.

Gearing, the ratio of net debt (€67.9 million at December 31, 2010) to consolidated shareholders' equity (€173.9 million), was 39% at December 31, 2010 (38.6% at December 31, 2009), reflecting €38.5 million in capital expenditures during 2010.

In November 2010, Cegid finalized and strengthened its medium-term bank financing by signing a syndicated line of credit with a maximum of €200 million. Coordinated by CIC-Lyonnaise de Banque, BECM, and Société Générale as mandated arrangers, the eight-bank syndicate also includes LCL, BNP Paribas, Banque Rhône-Alpes, Natixis et HSBC France.

The purpose of this new facility is to finance the Group's general and investment needs, including acquisition financing. The line has an initial term of five years, extendible to seven, and will gradually replace the syndicated line of credit granted in July 2006.

The fact that Cegid's banking partners have renewed the credit facility reflects the confidence they have in the Group's future, while bolstering Cegid's ambitious growth strategy, both in France and abroad.

As a result, as of December 31, 2010 Cegid had two syndicated lines of credit:

- A €180 million syndicated loan, granted in July 2006 and repayable at maturity, under which Cegid exercised the loan agreement's extension clause in April 2008. This clause provided for an extension of the maturity date of the loan from June 30, 2011 to June 30, 2013 and an adjustment to the maximum outstanding amount. This amount has thus been reduced to €150 million from June 30, 2011 and to €120 million from June 30, 2012 until June 2013.
- A syndicated loan granted in November 2010 in the amount of €20 million until June 30, 2011, increasing to €50 million until June 30, 2012, to €80 million until June 30, 2013 and to €200 million until June 30, 2014. At that date, it will reduce to €170 million until June 30, 2015. If the loan agreement's extension clauses are exercised, €140 million will be available until June 30, 2016 and €100 million until June 30, 2017.

These lines provide a greater drawdown capacity, which the Group can use to finance its investment needs in the years to come.

Cash flow statement

Cash flow generated by the business rose slightly, from €55.5 million in 2009 to €57.3 million in 2010. Cash flow after interest and tax paid was €48.2 million (vs. €53.8 million in 2009). Of the nearly €9.1 million difference, compared with cash flow generated by the business, nearly €8 million represented tax paid. The difference between the two measures of cash flow was only €1.7 million in 2009, because the use of tax-loss carryforwards brought income tax to zero.

Net cash from operating activities was €42.5 million (€59.7 million in 2009). This decline came about mostly because of income tax paid in 2010 and because an unusually high amount of accounts receivable were paid in 2009. A new collection system was implemented and procedures optimized, tightening up the A/R balance.

This cash flow fully financed capital expenditures, excluding acquisitions. These expenditures consisted primarily of development costs for new software products (€28.9 million), and the dividend paid by Cegid Group (€9.2 million). Net debt (€67.9 million at December 31, 2010) increased by €4.4 million in 2010, including €6.2 million in acquisition financing.

CEGID GROUP

Cegid Group's sales and earnings

Cegid Group became a holding company when shareholders approved the contribution of its operating activities to its subsidiary Cegid SA at the November 30, 2006 Special Shareholders' Meeting. In 2010, Cegid Group achieved revenues of €4.7 million, consisting principally of fees for corporate expenses and brand image costs (€4.6 million in 2009).

Cegid Group posted operating income of €0.03 million (€0.1 million in 2009) and net income of €10.9 million (€10.9 million in 2009) after accounting for dividends received from subsidiaries of €10.8 million. As of December 31, 2010, shareholders' equity stood at €130.3 million (€128.1 million at December 31, 2009) and net debt, which included €70.0 million in drawdowns under the syndicated line of credit, totaled €76.1 million.

Payment terms

Pursuant to Article L.441-6-1 of the French Commercial Code, we hereby inform shareholders that as of December 31, 2010, Cegid Group's trade payables more than 60 days old were not significant, totaling €0.02 million (€0.01 million at December 31, 2009), and those less than 60 days old totaled €1.3 million (€0.6 million at December 31, 2009).

Non-tax-deductible expenses

Pursuant to Article 233 of the French Tax Code, we hereby inform shareholders that the financial statements for the year under review do not contain any non-tax-deductible expenses in the meaning of Article 39.4 of the same Code.

SUBSIDIARIES

Principal operating subsidiaries

Subsidiaries of Cegid Group

Cegid SA
Business
Sales in 2010 totaled €214.3 million (vs. €216.9 million in 2009). These sales included those of GD Informatique, Servant Soft, Magestel, CGO Informatique and FCRS, which are operated under lease-management agreements.

In 2010, operating income totaled €14.0 million (€19.8 million in 2009) and net income was €8 million (€12.2 million in 2009).

At December 31, 2010, shareholders' equity stood at €136.6 million (€132.1 million at December 31, 2009). Net cash at December 31, 2010 was €0.5 million.

Quadratus
Sales in 2010 totaled €22.4 million (€21.1 million in 2009), operating income was €8.6 million (€8 million in 2009) and net income was €5.3 million (€4.8 million in 2009).

As of December 31, 2010, shareholders' equity stood at €8.3 million and net cash at €7.3 million after payment of a €4.8 million dividend paid to Cegid Group during the year.

Civitas
Sales of Civitas totaled €14.6 million in 2010 (€12.8 million in 2009). Operating income was €2.4 million (€1.9 million in 2009). Net income was €0.4 million (vs. a net loss of €0.15 million in 2009).

As of December 31, 2010, shareholders' equity was €5.8 million and net debt was €1.4 million.

Subsidiaries of Cegid SA

French subsidiaries

Aspx
The only activity of Aspx, a 100%-owned subsidiary of Cegid, is managing Cegid's ownership stake in Comptanoo, the joint venture held 50-50 by Aspx and Groupama/Gan Assurances. Comptanoo is the principal portal offering ASP and online services to entrepreneurs and their small companies (www.comptanoo.com and www.club-comptable.com).

Comptanoo
Comptanoo posted sales of €1 million in 2010 (€1.2 million in 2009), of which €0.7 million represented recurrent revenue. The company posted an operating loss of €0.8 million (€0.2 million in 2009) and a net loss of €0.8 million (€0.2 million in 2009).

As of December 31, 2010, shareholders' equity was €-0.7 million and net debt was €0.8 million.

I&C
Informatique et Communications (I&C), specialized in enterprise solutions for winegrowing companies, posted sales of €0.2 million in 2010 (€0.2 million in 2009), an operating loss of €0.1 million (operating income of €0.01 million in 2009) and a net loss of €0.1 million (net income of €0.01 million in 2009). In 2010 I&C finished rewriting the Amphora winegrowing suite of solutions in a new technology environment.

As of December 31, 2010, shareholders' equity was €-0.1 million and net debt was €0.2 million.

Cegid Front RH
In June 2010, Cegid acquired Vedior Front RH, a Payroll/HR software provider and subsidiary of the Randstad group. Vedior entered the scope of consolidation on July 1, 2010. After changing its corporate name, Cegid Front RH was dissolved and its assets merged with those of Cegid, with effect from September 2010. Cegid Front RH's sales from July 1, 2010 to December 31, 2010 totaled €0.8 million.

Axeteam
On December 1, 2010, Cegid acquired 100% of the shares of Axeteam, the developer and integrator of Syges, a business management solution for service companies.

The company was dissolved and its assets merged with those of Cegid as of January 2011.

Axeteam's sales in 2010 totaled €0.5 million (€0.4 million in 2009), operating income was €0.3 million (€0.1 million in 2009) and net income was €0.2 million (€0.1 million in 2009).

As of December 31, 2010, shareholders' equity was €0.3 million and net cash was €0.1 million.

International subsidiaries

EUROPE

Spain

Cegid Ibérica
Sales in 2010 totaled €1.6 million (€1.1 million in 2009), operating income was €0.02 million (loss of €0.3 million in 2009) and net income was €0.01 million (net loss of €0.5 million in 2009).

As of December 31, 2010, shareholders' equity was €0.1 million and net debt was €0.3 million.

Italy

Cegid Italia
Sales in 2010 totaled €1.4 million (€0.8 million in 2009), operating income was €0.05 million (loss of €0.2 million in 2009) and net income was €0.03 million (net loss of €0.2 million in 2009).

As of December 31, 2010, shareholders' equity was €0.04 million and net debt was €0.1 million.

United Kingdom

Cegid Limited
Sales in 2010 totaled €1.6 million (€1 million in 2009), operating income was €0.3 million (loss of €0.1 million in 2009) and net income was €0.2 million (net loss of €0.02 million in 2009).

As of December 31, 2010, shareholders' equity was €0.3 million and net debt was €0.4 million.

NORTH AMERICA

Cegid Corporation
Cegid Corporation posted sales in 2010 of €0.9 million (€0.6 million in 2009), an operating loss of €0.05 million (€0.2 million in 2009) and a net loss of €0.1 million (€0.2 million in 2009).

As of December 31, 2010, shareholders' equity was €-2.2 million and net debt was €2.6 million.

ASIA

Cegid Hong Kong Holdings Limited – Cegid Software (Shenzhen)
In 2010, Cegid Software (Shenzhen), 100%-held by Hong Kong Holdings Limited, posted sales of €0.4 million (€0.1 million in 2009). The company posted an operating loss of €0.1 million (€0.2 million in 2009) and a net loss of €0.1 million (€0.2 million in 2009).

As of December 31, 2010, shareholders' equity was €0.1 million and net cash was €0.2 million.

Other companies in the scope of consolidation

GD Informatique
Sales of GD Informatique totaled €0.1 million and consisted essentially of lease-management fees, paid by Cegid for use of the company's intangible assets. GD Informatique's net income was €0.04 million.

Servant Soft
Sales of Servant Soft totaled €1.3 million and consisted essentially of lease-management fees, paid by Cegid for use of the company's intangible assets. Servant Soft's net income was €0.9 million.

FCRS
Sales of FCRS totaled €0.2 million and consisted essentially of lease-management fees, paid by Cegid for use of the company's intangible assets. FCRS's net income totaled €0.2 million.

Magestel
Sales of Magestel totaled €0.1 million and consisted essentially of lease-management fees, paid by Cegid for use of the company's intangible assets. Net income totaled €0.06 million.

CGO Informatique
Sales of CGO Informatique totaled €0.05 million and consisted essentially of lease-management fees, paid by Cegid for use of the company's intangible assets. Net income totaled €0.05 million.

Cegid Services
Cegid Group holds 99.89% of Cegid Services. Cegid Services no longer has any business activity and its assets are not significant (€0.4 million).

Other unconsolidated investments

Cegid Japan
As a result of Cegid SA acquiring 100% of the shares of Timeless in 2008, Cegid Japan (formerly VCS Timeless Japan), 100%-held by Cegid, has no significant local activity.

GVI holding
On December 21, 2010, Cegid Group acquired 100% of the shares of GVI Holding. GVI in turn holds 100% of the shares of Visa Informatique, a developer and distributor of business management software for local authorities, and 100% of the shares of Ensemble solutions. Founded in 1980 and located principally in Loudon (Vienne département), these three companies have 79 employees, an installed base of nearly 3,000 customers. The company has sales of approximately €6 million, nearly 60% of which is recurring business.

These three companies will be consolidated from January 1, 2011.

ISTimeless-Portugal
ISTimeless-Portugal, 10%-held by Cegid SA, ensures a sales & marketing presence in Portugal and provides services throughout Spain and Portugal.

Altaven
To strengthen the partnership signed in March 2008 between Cegid SA and Altaven related to the "Optim'IS" tax consolidation solution, Cegid SA has a 5% stake in Altaven.

PRODUCTS AND SERVICES, TECHNOLOGY AND RESEARCH & DEVELOPMENT

Research and development strategy

Cegid continues to pursue its strategy of specialized software provider, be it in functional areas (finance-accounting, taxation, payroll/HR, etc.) or vertical markets (CPAs, manufacturing, retail, public sector, etc.).

Using the technology it deploys, Cegid can respond to several challenges at once:

- supply solutions to companies of all sizes, whether independent or subsidiaries of larger groups;
- ensure it is present and providing the solutions customers need, both in France and abroad;
- enable all modes of distribution, both direct and indirect;
- provide access to applications on premises or on demand via SaaS.

An in-depth understanding of the key technology parameters corresponding to this environment is a determining factor in the success of the research and development strategy.

Architecture

Today's environment is a diversified set of components that are fundamentally multi-technology:

- at the client end, with PCs, tablets and smartphones;
- at the server end, with a web approach and web services;
- for stored data (RDBMS), that must be analyzed, orchestrated (BI/decision-support) and made paperless;
- in usage modes: on-line, cloud-computing, mobile applications.

Cegid offers a response appropriate to each of these challenges, with upstream planning of how to organize the architecture, the systems and the data flows, as well as the relationship between the various protocols and participants in the IT systems.

Interoperability

Business management solutions, involving both operational and transactional data in a collaborative environment, are the most central applications in a corporate information system. As a result, the applications must be interoperable with the rest of the environment, including BI, office equipment, portals and complementary applications.

Web services have also become a vital part of any system, which Cegid has taken into account in designing inter-application and workflow functions.

The proliferation of internet-linked communication modes has rendered Cegid's communication and information transfer tools even more compelling. In 2010, Cegid introduced responses tailored to each situation.

New Cegid Studio entry points for partners

To encourage users to adopt Cegid solutions, Cegid Studio now has numerous points of entry. The standard functions of this tool for Cegid partners can be personalized and to a certain degree, made to accommodate a particular industry.

With this new version, users can personalize the data model (table, fields, structure), interface and ergonomics of Yourcegid solutions, thereby giving them a solution closer to their industry specifics.

In addition to the technical and functional improvements, Yourcegid Studio now includes more complete documentation, a more powerful, integrated debugging tool and more international capabilities.

The platform has a simplified front office and is fully secure. It also has a forum for certified users, who, through a dedicated interface, can call up any type of web service.

In addition, through an interface and a secure environment for information exchange, international partners can use the platform to integrate local standards into Yourcegid solutions, giving them more autonomy.

Twenty software providers, resellers and integrators now have consultant certification.

Cegid's technical platforms (Framework)

In 2010, Cegid further extended the integration of new technologies into its development tools and platforms.

All development teams now have the most modern frameworks (MS .Net or Java), as well as related support and training.

Owing to a mashup of its solution and its technical skills, Cegid has made its applications state-of-the-art without interrupting delivery to customers.

PRODUCT RANGES ENRICHED AND RENEWED IN 2010

CPAs and agricultural accounting oversight agencies (AGCs)

Cegid Expert Agricole in hosted / SaaS mode

Cegid has confirmed its ambition to service the accounting oversight agencies focused on the agricultural sector. The **Cegid Expert Agricole** ERP includes enhanced functionality for accounting, tax and social welfare requirements, internal operations and invoicing.

The 1st agricultural solution offered in 100%-hosted/SaaS mode, Cegid Expert Agricole is accessible via the technical infrastructure hosted at Cegid.

Integrated review for Cegid Expert

Cegid continued to develop a fully-integrated review function in Cegid Expert. This function will be completely interactive with all accounting, employee and tax data. CPAs will be able to choose between integrated review and the currently offered normative review.

Cegid Agrément

This solution for accounting oversight agencies (AGA-CGA) was enriched with a web solution for on-line member access.

Cegid CPA Agreements

Through its Wexperandyou portal, Cegid offers a service that sends reminders about changes in collective bargaining agreements. Cegid is finalizing a complementary service that will monitor and automatically update payroll systems based on changes in collective bargaining agreements integrated into the Cegid ExpertPaie solution.

Expert On Demand

Cegid solutions for the accounting profession are now accessible in hosted mode, a new way of using enterprise software, from the CPA's production of financial statements to CRM to internal management of the CPA firm.

A veritable decision-support tool, completely modular, **Cegid Expert On Demand** is available in the **Cegid Expert** and **QuadraExpert product ranges.**

Cegid Expert Connect

Cegid has enriched its set of collaborative solutions enabling companies wishing to outsource their accounting and/or payroll functions to share the corresponding data with their CPA.

This new service enables CPAs to obtain new assignments through externalization, communications platforms and collaborative work.

QuadraWebExpert

The Quadra collaborative platform (QWE) was designed to enable CPAs to optimize client communication, by sharing accounting and payroll data with their customers over the internet.

Easy to implement, the tools enable CPAs to communicate efficiently with clients and make all of the administrative documents clients need available to them (tax and payroll filings, payslips, etc.).

The CPA's customer can opt for various QuadraWebServices, such as collaborative accounting, key indicators, input of variable payroll items, etc.

During the course of 2010, more than 250 CPAs started using the collaborative platform and more than 2,600 companies subscribed to a QuadraWebService.

Entrepreneurs

Yourcegid Entrepreneurs

New range of accounting and estimate-invoice solutions for very small companies (up to five employees): solo entrepreneurs, independents, small offices, start-ups.

Available 24/7 and exclusively in SaaS mode, Yourcegid Entrepreneurs does not require any technical accounting knowledge. The user can open the company's books simply and quickly with the help of a configuration wizard. The solution's functional range and its innovation usage mode make it a must for small companies in search of efficiencies.

Cegid Business Line

This complete, integrated enterprise software solution, designed for companies with up to 50 employees, is available in traditional and SaaS modes. Hosted mode offers more flexibility for small companies: rapid deployment, real-time data availability, accelerated implementation of applications, reduced investment budget.

Associations

Yourcegid Associations

Receipts-disbursements accounting in SaaS mode for small, tax-free associations, designed in close collaboration with association treasurers and accountants and their CPAs.

Yourcegid Associations is very simple to use and includes the avatar Léa as a standard feature. Léa helps volunteer accountants and treasurers learn the basic principles of association accounting and how to use the corresponding software.

This product is available:

- by subscription from Cegid,
- from the small company advisory network, i.e. the CPA firms that use Cegid's collaborative eWS or from a Cegid partner (VAR network) offering the Cegid YES! solution.

Reseller network

Cegid YES!

Cegid YES! is the internet portal of Cegid Partners (network of value-added resellers) offering online services to very small companies and associations. The online services available as part of Cegid YES! can be divided into two categories:

- enterprise solutions: Yourcegid Entrepreneurs, Cegid Business Line and Yourcegid Associations;
- information and communication services: showcase site, e-commerce site (recently developed with UGAL), additional storage space, "Revue Fiduciare" periodicals (content available via eWS).

This cloud computing solution, available under a white label arrangement, is composed of three segments, enabling each reseller to customize the solution and the services they offer to their small company customers. The reseller can also incorporate these services into a more wide-ranging service proposal.

With Cegid YES!, the only solution of its kind on the market, Cegid enables its partners to adopt the emerging cloud computing technology, thereby giving them access to a fast-growing market.

Vertical markets

Retailing

Yourcegid Retail

Designed to improve the competitiveness, productivity and profitability of specialist retailing companies, the Yourcegid Retail range covers the entire Retail value chain: creating the product line, forecasts, sourcing & production, cross-channel merchandising, store management & check-out, CRM and customer loyalty.

Yourcegid Retail: new features and major innovations

Two new expert solutions have been added to the **Yourcegid Retail·NEXT line**: Advanced Replenishment.NEXT and Demand Forecasting.NEXT , dedicated to optimizing store inventory and sales projections, respectively.

A new solution for Retail SMEs with less than 20 POS terminals was added to Yourcegid **Retail On Demand**.

Meanwhile, a new version of **Yourcegid Retail Point of SaleWSH**, a check-out and CRM solution for department stores, was released. Among the major new functions are promotional pricing management and optimization, personalized add-ins, multi-channel gifts, customs management and the latest on-board technologies (SQL2008R2, Unicode, etc.).

Cegid Innovation Store

The Cegid Innovation Store is a technology showcase for all of the latest technological and industry innovations available to retail outlets. Developed by Cegid and its application, industry and technology partners and inaugurated in June 2010 at Cegid's head office in Lyon, the technologies operate under one roof in a realistic setting. Among the technologies and concepts exhibited are RFID, mobility, shopping intelligence and multitouch.

Hospitality

Yourcegid Hospitality CBP

These integrated and modular solutions constitute a veritable information system for small and mid-sized hotel groups or restaurant chains. The latest release of these products includes many new functions: multiple location management, promotions, customer loyalty, restaurant vouchers, fast-food restaurant functions, customer satisfaction, seminar management.

Yourcegid Hospitality Win

New functions were added to the solutions devoted especially to independent hotels and other foodservice locations, to take into account market developments and the industry's operational needs.

Yourcegid Hotel Win includes modules such as reservations, planning, invoicing, administration and statistics. Its OnLine module manages the link with internet-based room assignment applications and now interfaces with Availpro in addition to the Reservit platform. Customer loyalty, follow-up and satisfaction modules along with text and multimedia messaging services now round out the product range.

Yourcegid Restaurant Win is composed of check-out, cook-station printing and back office modules, as well as a new mobile order-taking capability, and manages an entire foodservice point of sale.

Manufacturing

Yourcegid Manufacturing, designed for manufacturing companies, responds to the needs of industrial groups of all sizes in the automotive, aerospace, life sciences and high-tech sectors of the economy.

More than 2,000 professionals use Yourcegid Manufacturing in 22 countries.

The challenges facing manufacturing companies today are numerous: produce at the lowest possible cost, optimize procurement and inventory, meet deadlines, increase profitability, tighten security around the production and dissemination of technical and commercial documents, manage foreign sites, inform the decision-making process, and finally, free the company from IT constraints so that it can concentrate on its core business.

Yourcegid Manufacturing offers, in hosted or SaaS mode, full functionality for managing production, logistics, documentary databases and the administration and finance related to industrial installations.

Finally, with more than 20 vertical applications partners, Cegid's Manufacturing solutions have developed a coherent ecosystem that they use to support customers in their projects to the greatest extent possible.

Functional areas

Human resources

Yourcegid Human Resources

Investments were focused on new solutions with an innovative user interface and enriched functional capabilities in order to support payroll and human resources users as their profession evolves.

As a complement, new solutions were designed exclusively for human resources departments for talent management and planning functions, leading to a new best-of-breed positioning in the mid-market segment.

The merger with Cegid Front RH led to a convergence of best practices, further enriching Cegid HR. Combining performance, innovation, security and maturity, the Group now offers new HR modules and services to this market.

Human resources with Cegid Business
Human resources paperless document services.

Cegid has been a precursor in many areas, such as in the handling of social welfare contribution statements that French employers must file (DUCS and DADS-U). Now Cegid has launched a service that sends paperless employee statements to the national health insurance service.

Taxation

Etafi.fr portal
A pioneering and innovative solution when it was rolled out in 2001, the Etafi.fr portal now has over 5,000 customers and transmits 65,000 tax returns and more than 150,000 VAT declarations to the tax authority every year.

The new Etafi.fr portal is part of a strategy of ongoing innovation to help companies perform better and respond to their needs for increased security and traceability.

New services have been added to the submission portal, such as the ability to send tax returns to the Banque de France. New functions are also available. For example, user profiles, scope of consolidation, reminders and submission follow-up can all be personalized.

Corporate value added contribution (CVAE)

A partial substitute for the business license tax (taxe professionnelle), this new local tax on value-added, known by its French acronym "CVAE", was created by the tax authority as part of the 2010 budget law. It applies to all companies reporting sales of more than €152,500 and came into effect on May 4, 2010.

For companies reporting sales in excess of €500,000 this new tax must be paid exclusively on line, illustrating the French government's desire to make paperless tax returns the norm in France.

Owing to its expertise in taxation, Cegid was able to provide a response to this new need by making a CVAE module available on all of its solutions.

Cegid also responded by enabling companies to file and pay the tax on line through its fully secure and automated Etafi.fr portal.

Consolidation with Etafi Conso now available in SaaS mode

Etafi Conso is now available in SaaS mode, offering more flexibility and on-demand availability.

New modules were developed for added efficiency, traceability and full control of the consolidation process required by law and by the Company's by-laws. These include:

- a new workflow module including consolidation stages as well as statement and compliance verification;
- an audit trail for conversion from separate accounts to consolidated accounts, facilitating documentation;
- a fully-configurable set of key indicators;
- levels of consolidation that can be adapted and personalized for printing.

Public sector

Yourcegid HR Public Sector (Human resources management)
In 2010, investments related principally to human resources management for local authorities and other public entities. Leveraging the "Planning of future skills and staffing requirements" module, local authorities and other public entities will be able to manage the entire HR chain within their organization, from recruiting and managing skills/positions to internal mobility and preparing/managing training programs and budgeting for the entire workforce. A multi-dimensional analysis module, based on OLAP cube technology, and a new version from the Business Objects universe based on BO XI, were added to the business intelligence range.

Yourcegid Public Sector Financial Management
As a follow-up to the 2009 initiative, distribution of the new public contracts management module was extended. This module is full-web compatible and integrates into a chain of financial management activities. It meets regulatory requirements and is an administrative aide for the purchasing and finance departments of public entities.

Yourcegid Public Sector Financial Management, developed by Civitas, includes the 100% web designed accounting module to respond to the needs of public institutions and social welfare agencies. This application enables the accounting department of a public entity to process all of its transactions: financial and cost accounting, receipts and disbursements, production of regulatory documents (financial statement, input to the DGCP public administration database, etc.). With specific accounting centralization and consolidation functionality, Yourcegid Public Sector Financial Management respond to the needs of organizations with nationwide networks.

Civitas is extending its technical and functional investment in SaaS mode delivery for the full range of its products. More than 200 local authorities and other public entities are already using their applications in SaaS mode.

Capitalized development expenditures in 2010 totaled €28.9 million, or 11.6% of consolidated sales, a level identical to that of the previous year. Depreciation and amortization for the year totaled €26.8 million, up €2.8 million from 2009.

SUSTAINABLE DEVELOPMENT AND HUMAN RESOURCES

Human resources policies

Human resources are a key factor for a software provider seeking to achieve sustainable economic performance and maximize the performance of its employees.

To be successful in a constantly changing environment the Group has regularly undertaken initiatives to provide employees with an environment that fosters professional development.

These initiatives must motivate employees to provide service to customers, enjoy innovation and seek performance. Overall success is impossible without these basic operating principles. They ensure that the Group's customers will be satisfied, both in France and abroad.

Desire to win, sharing and exchanging ideas, innovation and technology, quality, reliability, performance: these are our fundamental values.

For many years now, Cegid's senior managers and employees have been directly involved in helping economically disadvantaged people get training and find gainful employment. OL Fondation plays a direct role in structuring and developing these initiatives.

This strategy goes hand-in-hand with the Group's approach to sustainable development, by linking economic and human performance.

Employee information

Number of employees

The number of employees in the companies within the Group's scope of consolidation broke down as follows:

Employees as of December 31	2010	2009	2008
France	2,039	2,006	2,247
Cegid	1,761	1,738	1,847
Quadratus	150	141	137
Civitas	121	123	129
VCSTimeless (1)			115
Informatique et Communications	5	4	4
Axeteam	2		
GDI Informatique (2)			15
Foreign subsidiaries			
Spain	8	6	8
United Kingdom	11	10	10
Italy	6	5	4
United States	3	2	3
China	10	7	4
TOTAL	**2,077**	**2,036**	**2,276**
Comptanoo (3)	22	21	14

GVI Holding, Visa Informatique and Ensemble Solutions ("VISA Group"), representing 79 employees, acquired on 12/21/2010, were not consolidated.

(1) All assets and liabilities of this company were transferred to Cegid SA as of December 31, 2008.
(2) This company entered into a lease-management agreement with Cegid SA on January 1, 2009.
(3) This equity-accounted company has been 50% held by Cegid SA under a joint venture with Groupama-Gan since January 1, 2009.

The average number of employees in all consolidated companies in 2010 was 2,047 (2,143 in 2009; 2,089 in 2008), including Comptanoo, which was accounted for using the equity method. They represented 23 different nationalities.

The Group hired 238 new employees in 2010, including 150 under permanent "CDI" contracts and 88 under fixed-term "CDD" contracts (159 in 2009, of which 83 "CDI" and 76 "CDD").

A new organizational structure was introduced in 2009 and led to 21 departures for economic reasons. Separately, Cegid terminated the contracts of 50 employees for individual reasons.

Number of employees by function and type of contract

Changes in staffing reflected efforts to adapt resources to the Group's commitments to customers in 2010 and to the need to increase customer satisfaction.

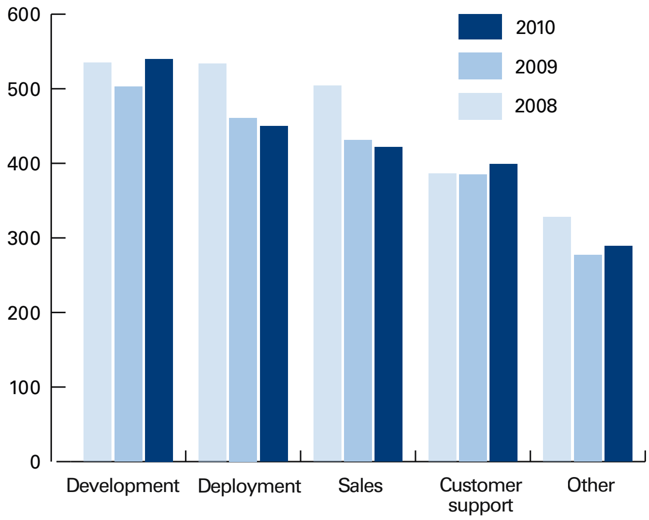
Against a recessionary background, whose effects continued to be felt in 2010, Cegid remained determined to maintain its overall level of human resources and the related positions within the Group in order to have the human capital necessary when the recovery arrives.

Hiring priorities are oriented around acquiring skills in new technologies and individuals with international profiles so as to support the development of the Group along these two avenues.

In 2010, the Group's turnover rate due to resignations remained low, at 4%.

Employees by function

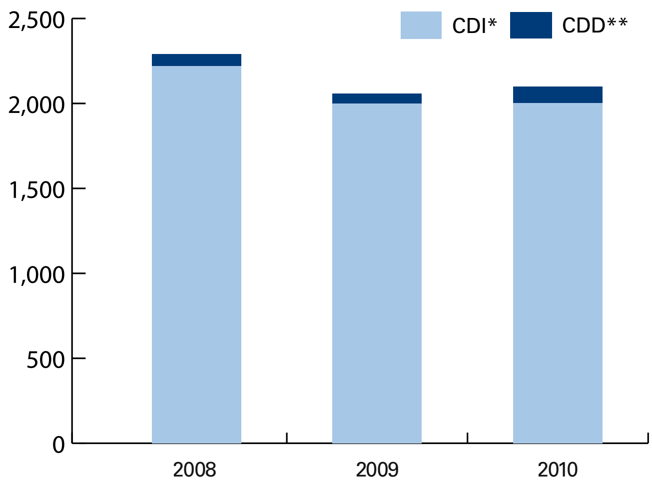
(Figures as of December 31 of each year)



Change in number of employees by type of contract

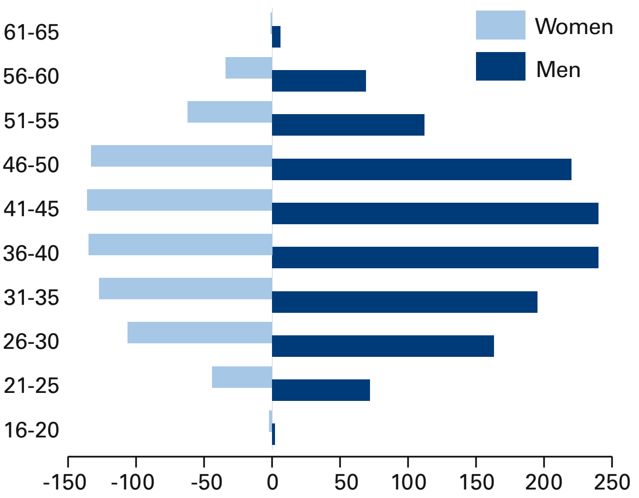
Cegid bases its growth on long-term employment; 95% of employees are on permanent contracts. Contracts for 23 employees were converted from fixed-term to permanent.

Fixed-term contracts represented 46 full-time equivalent positions in 2010, vs. 47 in 2009. This type of contract was used mostly to cover an increase in the hotline activity.
Temporary employment represented 341 work days in 2010.



* CDI: Permanent contracts
** CDD: Fixed-term contracts

Age distribution, 2010



The average seniority (10 years) and average age (40) of employees as of December 31, 2010 were the same as at the previous year-end.

Work-time organization / Part-time work / Overtime and outsourcing

The common employee status is based on regulations and collective bargaining agreements in place. It applies to all employees except top executives and includes reporting of hours worked, time off to make up for professional travel time, days off to bring the average work week into line, and standard company working hours.

The system takes into account the constraints under which each business activity operates and the related compensation in terms of reduced working hours, separating out certain activities (deployment and customer assistance).

Cegid has 211 employees who have chosen to work part-time, or 9.8% of the total workforce. Part-time work schedules respond to the wishes of employees, in some cases for a finite period of time, such as parental leave, in others as a permanent arrangement. The agreement on equal status between men and women is directly applicable to this choice of work schedule.

Cegid paid a total of 3,841 overtime hours in 2010 (3,694 in 2009). These reflected essentially the seasonality of the telephone help line activity and peak year-end periods.

The absentee rate remained low and stable during the year, at 3%, excluding absences for long-term illness. The number of absence days totaled 26,024 (26,608 in 2009).

The Group's prevention policy is reviewed regularly, even though there are no risks inherent to the various lines of business. Nevertheless, as certain positions require considerable travel, we pay particular attention to automotive risks, and regularly raise awareness among employees.

In 2010, 25 short-term disability leaves (longer than two days) for traffic accidents represented a total of 622 days of lost work (17 such absences represented 600 days in 2009).

Cegid made more use of outsourcing in 2010, because its activities are moving towards larger accounts and because it is refocusing resources around the software provider business. Outsourcing was related mostly to deployment and to specialized skills such as specific software development, engineering and hardware maintenance. Cegid also outsourced cleaning, maintenance and other specialized services.

Dialogue and labor relations

For several years now, Cegid has maintained an active dialogue between management and employees and this policy was maintained. Despite an uncertain economic context, this employee-management dialogue has supported Cegid's business development.

The relationship with employee representative bodies continued to evolve in a climate of mutual respect for the interests of both the Group and its employees.

This relationship strengthened the base upon which the Group's employee relations are founded. Ten company-wide agreements cover the following areas:

- Equal status for men and women
- Employee status
- Professional expenses
- Reduction and flexibility of working hours
- Death and disability insurance
- Collective performance bonuses
- Employees with disabilities
- Senior employees
- Employee-management dialogue
- Planning of future skills and staffing requirements

Using this approach, labor and management also held meetings about related subjects such as teleworking and preventing psychosocial risks. In this way, the Group continued to respond to employees' expectations and improve their working environment.

Agreements signed in 2010

Equal status for men and women

In 2007, Cegid signed a company-wide agreement on professional equality for men and women.

Both management and employee representatives agree that results over the past three years have been positive. Programs intended to promote professional equality, such as hiring, training and flexible working hours, have been strengthened. Every year, a budget has been dedicated to identifying and eliminating differences in compensation. Cegid has reinforced its commitment to pursue these initiatives by signing an amendment to the agreement.

Compensation

Compensation policy

Cegid's compensation policy is one of its strategic strengths, because it enables the Group to hire the best talent and develop employee loyalty. Individual and collective rewards for performance are the policy's two complementary principles.

By associating fixed and variable portions, the Group appropriately rewards individual performance, while meeting its economic objectives. Compensation models vary depending on an employee's function within the Group. They are regularly reviewed and compared with market practices so as to keep employees motivated and the Group competitive. Variable pay, particularly as it relates to employees in sales positions, is a mechanism that fosters the Group's business development.

Gross payroll amounts over the past five years were as follows (in €000):

2010	2009	2008 [1]
87.5	88.1	86.2

[1] VCSTimeless and Civitas over 3 months.

Extending the work of previous years, particular attention was paid to managing the payroll in 2010. Relevant indicators were devised, tracked and analyzed so as to ensure that payroll management was in phase with the business. Externalization of certain non-strategic activities (construction, logistics) was the main factor behind the change in total payroll in 2010 vs. 2009.

Profit-sharing

The individual compensation policy is complemented by collective performance rewards such as matching of employee savings contributions, collective performance bonuses and profit-sharing.

From the outset, Cegid has wanted employees to share in the Group's development and has fostered employee savings.

Gross matching contributions under the employee savings plan totaled €0.58 million in 2010 (€0.62 million in 2009), and under the collective performance bonus plan (intéressement) totaled €0.77 million (€0.66 million in 2009).

Collective performance bonus payments for 2010 totaled €1.3 million (€3.4 million in 2009).

Employee services include the cost of restaurant vouchers, the group death & disability insurance plan and contributions to the employee representative bodies. For 2010, these amounts totaled €4.5 million (excl. non-French subsidiaries).

Taken together, this additional compensation represented a total of €6.9 million in 2010, or 8% of gross payroll.

Health and safety

Protecting the health and ensuring the safety of employees in the workplace constitute a Group imperative. For many years now, Cegid has been committed to providing working conditions that safeguard the health of its employees. In this regard, Cegid has a risk prevention policy and has devoted the appropriate resources to it. Risks are evaluated, anticipated and managed based on the specific characteristics of each activity and the needs of the affected group of employees.

Health and security issues are managed primarily at the site level. This makes it possible to implement the prevention and protection measures that are the most appropriate for the specific imperatives of each work site.

Site managers are kept up to date on the regulations in force.

Employee awareness is considered to be an essential factor and is the subject of specific prevention plans based on the risks involved (driving risks, risk of pandemic, etc.). In addition, applications and procedures operating round the clock ensure security in the IT systems employees use in carrying out their assignments. Additional measures were introduced in 2010 in this regard and employee awareness about IT security was strengthened, with the preparation of a specific code of conduct.

It is the responsibility of operating units and subsidiaries to implement these health and safety measures.

Finally, psychosocial risks have become an important corporate risk. As a result, Cegid has taken a pragmatic approach to prevention and management. Work was undertaken in 2009 and involved members of the health, safety and working conditions committees (CHSCT), the governmental occupational medicine department and an external advisor. In 2010 this work led to a management awareness campaign, and an agreement on methods was signed with the objective of introducing a group-wide agreement in 2011.

Skills development

Career-long skills development

For Cegid to perform over the long term, it must know its internal resources so as to anticipate market demands and respond to employee aspirations. It is in this spirit that Cegid has undertaken specific initiatives – the planning of future skills and staffing requirements and career planning for senior employees are among them – to ensure that the skills of its employees correspond to the Groups' current needs and that they will evolve in such a way as to satisfy its future requirements.

The planned initiatives were implemented in 2010. These included a skills database for the principal job functions, a "career, part 2" interview, a mentor program to ramp up the skills of younger employees and dedicated training programs.

In addition, Cegid extended and strengthened its "Envol" program in support of key skills and potential.

Training

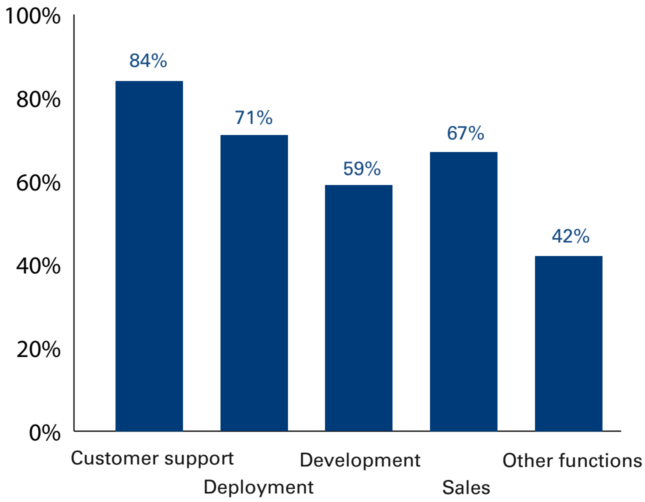
The Group's performance is dependent on the skills of its employees. In this regard, training constitutes a major challenge that must constantly be evaluated and tracked.

Software technology is constantly changing and to keep up, employee training is imperative. For this reason, Cegid pays close attention to ensuring that employees acquire and develop their skills throughout their professional life.

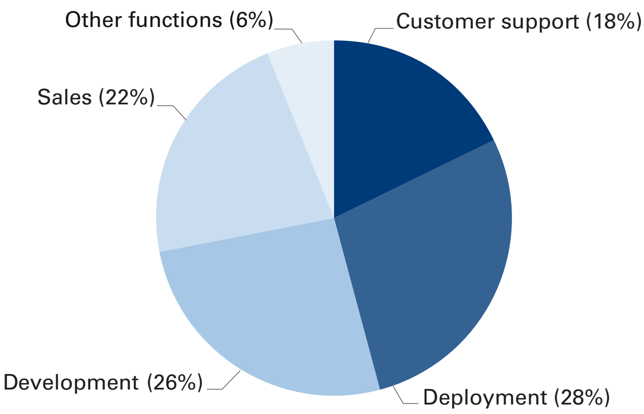
In 2010, employee training in the consolidated Group totaled 5,698 days, representing nearly 3% of the payroll and was articulated around three major avenues: expertise, new technologies, and internationalization.

Also in 2010, CegidPeople Institute, an internal school, was created so as improve the structure of the Group's training programs. With a goal of higher performance, CegidPeople Institute has developed a training program for each career path that will pool investments and ensure homogeneous follow-up.

Training proportion by function



Training expenditure by function



Mobility

Cegid continued to develop internal mobility and related programs such as the annual performance review, an intranet site dedicated to internal mobility, the skills database and professional gateways, so as to make career opportunities more visible to employees and ensure that the Group's skills are preserved and developed. Mobility is also based on identifying internal potential and on developing skills internationally.

Internal mobility programs were strengthened in 2010, and 15% of all open positions were filled internally. All employees who move to a new function benefit from a plan, designed in close cooperation with management, intended to speed up the employee's integration into the new position.

Sustainable development

Corporate social responsibility

With a firm belief that diversity and community involvement help build performance and corporate value, Cegid pursued its efforts to be a good corporate citizen.

Cegid has always endeavored to foster professional equality and to combat discrimination of any kind. In particular, the Group seeks to eliminate bias based on sex, race, religion, national origin, political opinion, sexual orientation, economic status, age or disability. Company-wide agreements cover certain issues, such as equality between men and women, senior employees and disabilities.

Equal status for men and women

Since signing an agreement on equal status in 2007, Cegid has continued its efforts, using a budget earmarked for this purpose, which has reduced identified disparities in compensation.

In 2010, Cegid continued to pursue initiatives related to the male-female ratio, covering areas such as working conditions, hiring and training. The proportion of women among new hires and among employees trained in 2010 was in line with their representation in the Group.

Cegid informs not-for-profit associations such as Force Femmes about openings for experienced professionals that are available within the Group.

Employees with disabilities

During 2010, the Group pursued its initiatives in favor of individuals with disabilities, by creating a network of disability correspondents at each site, contracts combining training and practical work application and events to raise awareness about disabilities.

The Group also stepped up its participation in specialized events for contacting and recruiting people with disabilities. These have enabled Cegid to meet its hiring commitments in this regard.

Local impact

For many years now, Cegid has been involved in local communities, not only through partnerships and patronage, but also through volunteer commitments vis-à-vis disadvantaged people.

Accordingly, Cegid is involved in several programs to help young people from underprivileged backgrounds find jobs, including the programs of "Sport dans la Ville". Group employees share the values of this association. In 2010, 15 Cegid employees became directly involved, devoting their time and energy to sponsor a young person as he or she endeavors to enter the job market.

Other initiatives have also been implemented, such as the "Jobs & Cité Stadium" operation for candidates from disadvantaged suburban neighborhoods, "Semaine du handicap" (disability week) and "Semaine de la diversité" (diversity week).

Cegid's goal in participating in these programs is to provide tangible help for young people or others in difficulty by financing long-term programs.

Environmental information

As a high-tech company, Cegid aids efforts to preserve the environment through the products it sells and the way it operates.

Cegid's products foster paperless communication and reduced travel. As such, they participate directly in reducing the environmental impact of economic activities. Cegid estimates that the rapid development of SaaS, used by 13,000 customers in 2010, will reduce customers' CO2* emissions by 24 tonnes owing to mutualization of servers in Cegid's premises.

Cegid has implemented a travel policy intended to protect the environment. Employees are encouraged to use public transportation, limit the number of business trips and use IT solutions whenever possible, such as teleconferencing and videoconferencing. Cegid has also opted for a local presence in regions throughout France, enabling it to be close to customers without excessive travel.

So as to adapt to the new legislation regarding CO_2 emissions, Cegid continues to renew its car fleet, putting priority on low CO_2 emission vehicles.

The Group's strategic orientation toward the development of SaaS products that must be hosted on servers has led it to rethink its consumption of electrical energy. In 2010, initiatives in this area significantly reduced the consumption of electricity in our hosting centers.

* CO_2 equivalent of electricity consumption (kWh), as published by the International Energy Agency.

SIGNIFICANT EVENTS SUBSEQUENT TO CLOSING

Exclusive agreement between Cegid and Editions Francis Lefebvre (EFL)

Cegid and Groupama have signed an exclusive agreement with Editions Francis Lefebvre (EFL), a publishing house specialized in tax-, labor- and accounting-oriented legal publications. EFL publishes works that meet the needs of all law and accounting professionals (solutions and documentary database). Over the years, EFL and its subsidiaries have become the leading providers of this type of information for accountants and legal professionals.

Groupama, Cegid and EFL will now team up to add a legal section to the interactive and innovative products and services offer to CPAs. An exhaustive set of applications and content related to their operations, tax issues, investments and other assets, auditing, death & disability insurance, pension and insurance will be available on line. For each of these assignments, the related legal aspects will be highlighted, making it easier for managers to make decisions with full knowledge of all the parameters.

The portal for associations, including related administrative services, will also open in early 2011 and will supply dedicated software online.

Showcase and e-commerce websites in partnership with UGAL

In partnership with UGAL, Cegid is now offering its small-company customers an easy way to create a showcase or e-commerce website and to connect it to their invoicing software, thereby simplifying product catalogue updates and optimizing back-office management.

All of Cegid's SaaS-mode solutions for small companies are available:

- by subscription from Cegid
- from the small company advisory network, i.e. the CPA firms that use Cegid's collaborative eWS or from a Cegid partner (VAR network) offering the Cegid YES! solution.

As of the date of this report, no other significant event had occurred subsequent to December 31, 2010.

OUTLOOK AND FUTURE PROSPECTS: MORE ORGANIC GROWTH AND ACQUISITION

Following a period that saw a rise of generalist ERP vendors, the market is now trending toward specific expectations on the part of enterprise software users. Firstly, companies want solutions that provide a rapid return on investment, are designed especially for their line of business and go beyond simple data management to produce decision-support information; secondly they want to take advantage of new usage modes that meet their needs for mobility and scalability and whose cost will not eat into their investment budget.

Against this background, Cegid has numerous strengths it can use to pursue growth both in France and abroad, by leveraging its:

- software provider approach, specialized around the Yourcegid vertical and function-specific product range, which has been very successful with large account customers;
- expertise in SaaS (On Demand) solutions;
- positioning as a comprehensive provider for Retail companies, which should lead to accelerated international growth;
- a sound financial structure bolstered by €200 million in confirmed, five-year lines of credit (extendible to seven).

Cegid's positioning is in line with market expectations and to take advantage of this, Cegid will pursue a major investment program articulated around developing new product lines, strengthening its expertise in hosting and stepping up its multi-channel sales strategy. In particular it will seek to develop its network of distributors and strengthen its partnerships with major integrators, both in France and abroad.

In 2011 and beyond, Cegid is poised to demonstrate its ability to generate a favorable level of operating profitability and to take advantage of the economic recovery in the years to come.

RISK FACTORS

Market risk

(see Note 4.3.2.3 to the consolidated financial statements)

Interest rate risk

Cegid has medium-term financial resources composed of a line of credit that carries interest at Euribor of the same duration as the drawdown plus a margin.

In this context, the group is subject to changes in variable rates and examines this risk regularly. In January and February 2009, Cegid Group implemented two standard collars with a two-year maturity and a zero premium vs. 1-month Euribor. The notional amount in both transactions was €20 million at maturity:

Start January 29, 2009, floor 1%, cap 3.60%

Start February 27, 2009, floor 1%, cap 2.90%

In early 2011, Cegid Group partially renewed this interest rate hedging arrangement by buying a standard two-year, zero-premium collar against one-month Euribor with a notional amount of €20 million at maturity:

Start January 28, 2011, floor 0.90%, cap 2.28%

The Finance department manages the Group's treasury on a daily basis, using dedicated software that interfaces with the integrated IT system. A weekly report of net treasury is prepared and used to track changes in debt and invested cash balances and the type of cash flows.

Maturity of financial assets and liabilities as of December 31, 2010

(in €000)	Amount	Interest rate	Maturity
Liabilities due in 1 year or less	789		
Variable-rate liabilities	789	Euribor-based	Short term
Liabilities due in one to five years	70,000		
Variable-rate liabilities	70,000	Euribor-based	Medium term
TOTAL	**70,789**		

(in €000)	One year or less	1 to 5 years	more than 5 years
Financial liabilities	789	70,000	
Financial assets	3,486		
Net position	2,697	(70,000)	-
Net position after management*	2,697	(70,000)	-

* net position after management at variable rates: €-67 million.

Exchange-rate risk

Cegid is exposed to exchange rate risks only to a small extent, related to the financing of its international subsidiaries and to the payment of certain purchases.

Equity market risk

Marketable securities in the consolidated balance sheet were exclusively money-market mutual funds.

Apart from investments in the companies in its scope of consolidation, the Group had no significant equity investments.

As of December 31, 2010, Cegid held certain shares in treasury in connection with its share buyback program. These included 404,908 shares with an acquisition value of €7,197,580.72, held for the purpose of meeting the exercise of 400,000 redeemable share warrants (see page 133), and 22,555 shares, held for the purpose of making a market in and ensuring regular price quotations for its shares through a liquidity contract. As of year-end, these shares were valued at €22.65 each (see page 133).

Liquidity risk

To finance its growth and ensure constant, flexible, financial resources into the medium term, the Group has a syndicated line of credit available to it, granted in July 2006. This line totaled €200 million at the outset and €180 million at December 31, 2010, repayable at maturity. In April 2008, Cegid exercised an extension clause included in the loan agreement. This clause provides for an extension of the maturity date of the line of credit from June 30, 2011 to June 30, 2013.

In addition, in November 2010, Cegid finalized the renewal of its medium-term bank financing by signing a syndicated €200 million line of credit. Coordinated by CIC-Lyonnaise de Banque, BECM, and Société Générale as mandated arrangers, the eight-bank syndicate also includes LCL, BNP Paribas, Banque Rhône-Alpes, Natixis et HSBC France.

The initial term is five years, extendible to 7 years.

Cegid thus has two syndicated lines of credit totaling €200 million from 2011 to 2013, €170 million from 2013 to 2015, €140 million in 2015 and €100 million in 2016 and 2017 if the banks agree to an extension.

These lines provide a greater drawdown capacity, which the Group can use to finance its investment needs in the years to come.

As of December 31, 2010, Cegid had used €70 million of its drawdown capacity.

These loan agreements include the customary covenants and clauses regarding accelerated maturity, specifically:

- Borrowings become immediately due and payable upon voluntary or involuntary liquidation,
- Maturity may be accelerated in the event of non-payment of an amount due under one or both of the loan agreements or in the event of non-payment of a tax or social welfare contribution, unless it has been contested.

Cegid Group must also adhere to the following covenants:

- consolidated net debt/consolidated shareholders' equity less than or equal to 1;
- consolidated net debt/average consolidated EBITDA of the past two years less than or equal to 3.

Compliance with these covenants is calculated at each annual and semi-annual earnings announcement.

The Group is currently in compliance with these covenants and intends to remain so.

Business risk

Customer risk

Customer risk is low:

- Cegid's sales are highly dispersed, and no Group customer invoiced in 2010 represented more than 0.6% of the Group's consolidated sales,
- Accounts receivable are spread among more than 53,000 customer accounts and no single customer represents more than 1.3% of this line item.

Risk related to extension of the geographic area in which the Group distributes its products

Distribution of the Group's products to customers in a greater number of countries increases risks and requires a careful, prior evaluation of the operating risks and the liability that results therefrom.

Supplier and technology risk

Cegid has formed technology alliances with large software developers and suppliers of programming tools, middleware, databases and operating systems.

These tools and the architectural bricks used in the deployment of Cegid solutions are based principally on standard market technologies developed by these partners. The resulting constraints for Cegid are principally that the Group must adapt its product lines to new versions and must fulfill its product maintenance obligations. To manage these potential risks, Cegid's tools are compatible with prominent market standards. Consequently, Cegid should be able to turn to existing alternative solutions. In this way, Cegid limits its technological dependence. Nevertheless, the very nature of Cegid's business remains very closely tied to changes at the major technology providers.

The Group conducts On Demand or SaaS businesses, which constitute an alternative to the traditional on-premises license mode for using software. In this context, the Group uses its own technical platform to run the IT equipment necessary for this activity. This platform, consisting of two computer clean rooms, is in a separate location from the Group's other operational sites. It has redundant machines, hard disks, electrical supply and internet access lines via two distinct carriers. Access to these rooms is secure and limited to members of the IT department. These rooms have the equipment necessary for their operation, including air-conditioning, fire detection equipment, uninterruptible power supply and back-up generators. Maintenance is performed on this equipment on a regular basis. A daily back-up system has been implemented and includes dual back-ups stored off-site in separate locations.

Intellectual property and intangible asset risk

Cegid's future success depends in part on protecting its intellectual property rights, in particular its brands and software programs. Cegid regularly makes filings with the Agence de Protection des Programmes concerning the software programs it develops. Under current French and EU law, however, autonomous software programs cannot be patented. These filings protect the Cegid's expertise and copyrights related to software developed by the Group. Nevertheless, there is a risk that third parties may infringe these rights, which could have unfavorable effects on Cegid's businesses and require the Group to incur costs to enforce its rights. There is also a risk that third parties may believe that Cegid's products infringe their intellectual property rights and attempt to prohibit the use of those rights and/or obtain compensation.

Such a situation could expose Cegid to legal action and the payment of damages related to such action.

Cegid's brands and logos are registered in the principal countries (in France, with the INPI). The Group holds copyrights on its products, sales brochures and user manuals.

The Group remains vigilant with regard to the protection of its intangible assets.

The principal risk regarding the protection of intangible assets is related to the potential departure of employees who might not comply with the legal and contractual arrangements existing at that time.

The current contractual environment includes provisions aimed at protecting the intellectual property rights belonging to the various entities of the Group. As of December 31, 2010, the Group was not subject to any legal proceedings in this regard.

Key personnel risk

A business based primarily on innovation depends largely on the expertise of the enterprise's employees. As a result, Cegid is naturally dependent on its ability to maintain this expertise within the Group over the long term.

Were this expertise to become unavailable, either temporarily or permanently, the Group's operations could be disrupted, with a resulting negative impact on sales and earnings. In an effort to limit this potential impact, Cegid regularly adapts its operating structure to better distribute expertise on technology and tools within the Group.

The wealth of products and services makes this approach more complex, however, but it reduces the potential impact on sales and earnings, depending on the business volume of the product range in question.

Environmental risk

The nature of Cegid's business and that of its subsidiaries does not generate significant environmental risks. These activities do not require specific measures to limit harm to biological equilibria or natural habitats.

The company has reviewed the risks to which it is subject and believes that there are no significant risks other than those presented here.

Insurance and risk management

To limit the consequences of the major risks related to its business, Cegid has insurance policies, principally liability insurance, property & casualty insurance and business interruption insurance.

All of these insurance policies, both in France and abroad, have been contracted with prominent insurance companies, in collaboration with the expertise of the brokers who handle Cegid's insurance needs.

Operations liability and professional and/or post-delivery liability

The Group has insurance policies covering:

- Professional liability up to €10 million per insurance year;
- Professional and/or post-delivery liability up to €10 million per loss event and per insurance year. In particular, the policy covers losses from:

  - professional misconduct, error, omission, or negligence committed in the execution of professional services,
  - service, product or software performance defects;
  - defects in the design or execution of its assignments.

And specifically in the event of:

- an error in design, analysis or programming,
- a defect in delivery, installation, repair, maintenance, etc.

Property & casualty and business interruption

The premises in which the Group exercises its activities are located essentially in France. They are comprised of 56 office locations with a surface area of 41,445 sq. m. This geographic dispersion limits risks, in particular the risk of business interruption that could result from a casualty. No Group company owns the premises in which it exercises its business activity.

The insurance policy covering property damage and business interruption includes the following ceilings:

- all IT, office equipment and telematics risks: €7.5 million,
- fees and miscellaneous losses: €4 million.

Other insurance policies

Risks concerning liability of executives and other executive officers, acts of computer abuse, business travel, transportation of merchandise and the company car fleet are covered by specific insurance policies.

For international entities, specific local insurance policies are implemented, such as property damage, general liability, worker's compensation and employer's liability.

Insurance premiums

Cegid recognized approximately €0.8 million in insurance premiums in 2010.

In accordance with the annual report preparation guide for small and mid-sized listed companies updated by the AMF in December 2009, Cegid reviewed all the risks to which it is subject and concluded that there are no significant risks other than those presented above.

DISPUTES AND EXCEPTIONAL ITEMS

Disputes related to operations

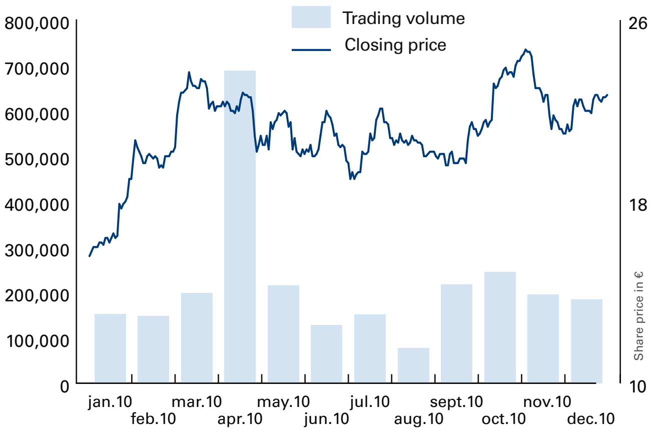
Litigation involving mainly labor and commercial disputes, as well as certain lawsuits for which summonses have been served, have led to recognition of several provisions to cover the estimated risk, after internal analysis and review by the Group's attorneys.

To Cegid's knowledge, there are currently no other exceptional items or disputes that could significantly affect the Group's business, assets, financial position or earnings.

TRADING IN THE COMPANY'S SECURITIES

Owing to their price trend, Cegid Group shares (ISIN code FR0000124703) are once again listed on Euronext Paris Compartment B (since January 24, 2011) and are included in the Small, Mid and Small, All-Tradable et ITCAC indices. On December 31, 2010, the share closed at €22.65 (€15.60 at December 31, 2009). The number of shares traded in 2010 was 2,603,826 (2,497,406 shares traded in 2009), compared to a total share capital at December 31, 2010 of 9,233,057 shares.

Price and trading volume of Cegid Group shares (FR0000124703) in 2010



CEGID GROUP SHARE CAPITAL AND EQUITY INVESTMENTS

Cegid Group share capital

During 2010 there was no change in the share capital of Cegid Group, which remained at €8,771,404.15 as of December 31, 2010, divided into 9,233,057 shares, with a par value of €0.95 each. As of the date of this report, no change therein had taken place.

Equity investments

The detail of equity investments in the various subsidiaries of Cegid Group and their percentages are indicated in the notes to the consolidated statements and the list of subsidiaries and associates in the notes to the parent company financial statements.

PURCHASE AND/OR SALE BY THE COMPANY OF ITS OWN SHARES

Purchase and/or sale of shares during 2010

Under the liquidity contract signed August 31, 2001 with CM-CIC Securities, 233,390 Cegid Group shares were acquired in 2010 at an average price of €21.55 and 242,941 shares were sold at an average price of €20.89. Brokerage fees for these purchases and sales carried out under the liquidity contract totaled €23,000. A report on the liquidity contract, published annually, was made available on line on January 5, 2011.

No Cegid Group shares were acquired during 2010 under the share buyback program outside of the liquidity contract.

As of December 31, 2010, Cegid Group held 427,463 of its own shares, representing 4.6% of the share capital of the Company. The value of these shares, at their purchase price, was €7,708,451.47 (par value of Cegid Group shares: €0.95).

Authorization to be granted to the Board of Directors to acquire shares pursuant to the terms of Articles L.225-209 to L.225-212 of the French Commercial Code

At the Annual Shareholders' Meeting, we will propose that you authorize the Board of Directors to acquire shares pursuant to Articles L.225-209 to L.225-212 of the French Commercial Code, Regulation 2273/2003 of the European Commission, dated December 22, 2003, and the provisions of Articles 241-1 to 241-8 of the General Regulation of the AMF, supplemented by AMF instructions 2005-06 and 07, dated February 22, 2005.

The maximum purchase price shall not exceed €60 per share. The maximum amount of the program will therefore be €29,861,262, taking into account the 425,618 shares held in treasury as of February 28, 2011.

SHARES OF CEGID GROUP HELD BY EMPLOYEES

In accordance with Article L.225-184 of the French Commercial Code, a special report will provide you with the disclosures required by law.

We reiterate that as a result of the partial asset contribution approved by shareholders at their Special Shareholders' Meeting of November 30, 2006, Cegid Group no longer has any employees. Consequently, the customary mention of the percentage of Company shares held by employees at fiscal year-end was not applicable.

SHARES OF CEGID GROUP HELD BY EMPLOYEES OF GROUP COMPANIES

As of December 31, 2010, under the employee savings plan managed by Société Générale in the form of two mutual funds, the employees of the companies belonging to the Group held a total of 57,593 Cegid Group shares (53,800 shares at December 31, 2009), representing 0.6% of the share capital.

As of January 31, 2011, the date of the most recent "Identification of bearer shareholders" analysis, employees of companies in the Group, excluding executives, held 168,585 Cegid Group shares, directly or indirectly (168,580 shares at December 31, 2009), or 1.8% of the share capital.

ISSUE OF REDEEMABLE SHARE WARRANTS

At the Special Shareholders Meeting of December 22, 2009, shareholders authorized the Board of Directors to issue redeemable share warrants ("BAARs"). This authorization was granted for 18 months. It covers a maximum of 404,908 shares, representing 4.4% of the share capital as of the date of the Shareholders' Meeting. This authorization was used by the Board of Directors during its September 3, 2010 meeting and was assigned no. 10-302 by the AMF, dated the same day. At its meeting of September 3, 2010, the Board of Directors, acting under the authorization granted by the shareholders, set the following parameters for the warrants:

- a list of 86 beneficiaries,
- a total of 400,000 "A" and "B" warrants (BAAR "1" and "2" in French),
- the number of "A" and "B" warrants offered to each beneficiary,
- the issue and exercise prices of the "A" and "B" warrants,
- the subscription period (September 7-28, 2010 inclusive),
- the exercise periods for the "A" and "B" warrants.

On November 3, 2010, Board of Directors recognized the issuance of 400,000 warrants to 74 of the 86 initially designated, potential beneficiaries. The 400,000 warrants do not confer the right to subscribe to new shares, but exclusively to acquire existing shares. As such, the issue will not cause any dilution for existing shareholders.

COMPOSITION OF SHARE CAPITAL - OWNERSHIP THRESHOLD DISCLOSURES

Composition of share capital at December 31, 2010

To the best of our knowledge, the principal shareholders of Cegid Group as of December 31, 2010 were as follows:

Shareholder	% of shares	% of voting rights
Groupama group (1)	26.89	25.97
Board members, of which:	10.86	14.95
ICMI (2)	*10.05*	*14.15*
Executive Board (4)	*0.81*	*0.80*
Ulysse/Tocqueville Dividende/ Odyssée (3)	6.21	7.47
Apax	4.21	4.69
Treasury shares	4.63	NA
Free float	47.2	46.92
TOTAL	**100.00**	**100.00**

(1) Groupama group corresponds to the following entities: Groupama SA, Gan Assurances Vie, Gan Eurocourtage.
(2) As of 12/31/2010, Jean-Michel Aulas held 99.95% of ICMI, representing 99.96% of the voting rights.
(3) Tocqueville Finance holds Cegid Group shares in the context of its fund management business (Ulysse/Tocqueville Dividende/FCP Odyssée, FCP SLC, FCP Sphynx Finance).
(4) The Chairman, Chief Executive Officer and Board members are considered members of the Executive Board. Nevertheless, the percentage ownership of ICMI is listed separately in the table.

As of December 31, 2010, there were 400,000 redeemable share warrants outstanding. As these warrants will not give rise to the issuance of new Cegid Group shares, but only to the acquisition of existing shares, their exercise will not have any impact on the share capital of the Company.

Ownership threshold disclosures

- In a letter dated January 14, 2010, AXA Rosenberg Group LLC informed Cegid Group that the number of shares it held had increased beyond the 2% threshold as of December 23, 2009. At that date, it held 185,367 shares, representing 2.01% of share capital and 1.70% of voting rights.
- In a letter dated April 16, 2010, ICMI informed Cegid and the Autorité des Marchés Financiers that it had exceeded the legal thresholds of 5% and 10% of share capital and 10% of voting rights. ICMI's ownership interest rose from 4.60% to 10% of share capital and from 8.83% to 14.12% of voting rights at Cegid Group's Shareholders' Meetings.
- In a letter dated April 15, 2010, Apax Partners, representing the Apax and Altamir Amboise funds, informed Cegid that the portion of share capital it held had declined below the 10% threshold and that the voting rights it held had declined below the 15% and 10% thresholds. Apax Partners, representing the Apax and Altamir Amboise funds, reduced its ownership interest to 5.38% of share capital and 6% of voting rights at Cegid Group's Shareholders' Meetings.
- On October 1, 2010, the Autorité des Marchés Financiers received a letter indicating that on September 29, 2010, the concert group formed by Apax Partners, Altamir Amboise and Apax Parallel Investment had reduced its holding to less than 5% of share capital of Cegid Group and that it held 455,437 Cegid Group shares and 525,409 voting rights, representing 4.93% of share capital and 5.26% of voting rights.
- On October 11, 2010, the Autorité des Marchés Financiers received a letter indicating that on September 29, 2010, the concert group formed by Apax Partners, Altamir Amboise and Apax Parallel Investment had reduced its holding to less than 5% of the voting rights of Cegid Group and that it held 421,991 Cegid Group shares and 486,824 voting rights, representing 4.57% of share capital and 4.87% of voting rights.
- In a letter received on January 13, 2011, CM-CIC Asset Management declared, on behalf of the mutual funds it manages, that its ownership interest had increased beyond the threshold of 2% of the share capital and voting rights of the Company, as specified in the by-laws. As of January 6, 2011, the number of shares and voting rights held by four mutual funds was 247,000.
- In a letter received on February 14, 2011, CM-CIC Asset Management declared, on behalf of the mutual funds it manages, that its ownership interest had increased beyond the threshold of 2% of the share capital and voting rights of the Company, as specified in the by-laws. As of February 10, 2011, the number of shares and voting rights held by five mutual funds was 262,875.
- In a letter received on February 14, 2011, Sycomore Asset Management declared, on behalf of the mutual funds it manages, that its ownership interest had increased beyond the threshold of 2% of the share capital and voting rights of the Company, as specified in the by-laws. As of January 20, 2011, the number of shares and voting rights held was 300,000.

TRANSACTIONS CARRIED OUT BY EXECUTIVES

Pursuant to Articles 621-18-2 of the Monetary and Financial Code and 223-26 of the AMF General Regulation, we hereby inform you that the following transactions took place on Cegid Group shares during 2010 and have been disclosed to the Company:

- On April 12, 2010, Apax France V-B, a private equity fund managed by Board member Apax Partners, sold 25,893 Cegid Group shares in an off-market transaction for €547,636.95.
- On April 12, 2010, Altamir Amboise (SCA), a legal entity related to Board member Apax Partners, sold 76,581 Cegid Group shares in an off-market transaction for €1,619,688.15.
- On April 12, 2010, Apax Parallel Investment I, a legal entity related to Board member Apax Partners, sold 95,862 Cegid Group shares in an off-market transaction for €2,027,481.30.
- On April 12, 2010, Apax France IV, a private equity fund managed by Board member Apax Partners, sold 67,017 Cegid Group shares in an off-market transaction for €1,417,409.55.
- On April 12, 2010, Apax France V-A, a private equity fund managed by Board member Apax Partners, sold 233,113 Cegid Group shares in an off-market transaction for €4,930,339.95.
- On April 12, 2010, Board member ICMI, acquired 498,466 Cegid Group shares in an off-market transaction for €10,542,555.90.
- On April 21, 2010, Apax France V-B, a private equity fund managed by Board member Apax Partners, sold 188 Cegid Group shares for €4,279.44.
- On April 21, 2010, Apax Parallel Investment I, a private equity fund managed by Board member Apax Partners, sold 696 Cegid Group shares for €15,843.05.
- On April 21, 2010, Apax France V-A, a private equity fund managed by Board member Apax Partners, sold 1,693 Cegid Group shares for €38,537.76.

- On April 26, 2010, Apax France V-B, a private equity fund managed by Board member Apax Partners, sold 332 Cegid Group shares for €7,256.77.
- On April 26, 2010, 982, Altamir Amboise (SCA), a legal entity related to Board member Apax Partners, sold 982 Cegid Group shares for €22,262.92.
- On April 26, 2010, Apax Parallel Investment I, a private equity fund managed by Board member Apax Partners, sold 1,230 Cegid Group shares for €27,885.33.
- On April 26, 2010, Apax France IV, a private equity fund managed by Board member Apax Partners, sold 860 Cegid Group shares for €19,497.06.
- On April 26, 2010, Apax France V-A, a private equity fund managed by Board member Apax Partners, sold 2,991 Cegid Group shares for €67,808.96.
- On April 29, 2010, Apax France V-B, a private equity fund managed by Board member Apax Partners, sold 166 Cegid Group shares for €3,753.76.
- On April 29, 2010, Apax France V-A, a private equity fund managed by Board member Apax Partners, sold 1,497 Cegid Group shares for €33,851.66.
- On April 29, 2010, Altamir Amboise (SCA), a legal entity related to Board member Apax Partners, sold 492 Cegid Group shares for €11,125.60.
- On April 29, 2010, 615, Apax Parallel Investment I, a private equity fund managed by Board member Apax Partners, sold 615 Cegid Group shares for €13,907.
- On April 28, 2010, Board member ICMI acquired 1,000 Cegid Group shares for €20,950.
- On April 28, 2010, Board member ICMI acquired 1,000 Cegid Group shares for €21,000.
- On April 28, 2010, Board member ICMI acquired 1,000 Cegid Group shares for €21,050.
- On April 28, 2010, Board member ICMI acquired 1,000 Cegid Group shares for €21,100.
- On April 29, 2010, Apax France IV, a private equity fund managed by Board member Apax Partners, sold 430 Cegid Group shares for €9,723.59.
- On October 20, 2010, Patrick Bertrand, CEO, permanent representative of ICMI, sold 2,691 Cegid Group shares for €62,988.96. On September 23, 2010, Patrick Bertrand acquired 28,423 "A" warrants and 28,423 "B" warrants for €79,584.40 as part of the issuance of redeemable share warrants (AMF no. 10-302, September 3, 2010).

ALLOCATION OF NET INCOME

The financial statements of Cegid Group, as presented to you, show net income of €10,908,820. The distributable amount with regard to 2010, increased by retained earnings, totaled €24,355,292.

At the Annual Shareholders' Meeting, you will be asked to distribute a dividend of €1.05 per share, as follows:

- Dividend on 9,233,057 shares €9,694,710
- Allocation to retained earnings...................... €14,660,582

In the event the Company holds some of its own shares when dividends are to be paid, the portion of net income corresponding to the unpaid dividends on these shares shall be allocated to the "Retained earnings" account. The dividend is to be paid on May 26, 2011. Shareholders will be informed that the amount distributed as dividends to individual shareholders will be fully eligible for the 40% exclusion from tax under Article 158 of the French Tax Code, as amended by the 2006 Budget law of 30 December 2005. Pursuant to Article 135-6e, amended by decree 67-236 of March 23, 1967, the distribution of dividends in respect of the last three years is presented in the table below.

DIVIDENDS PAID ON EARNINGS OF THE THREE PREVIOUS FISCAL YEARS

Fiscal year	2009	2008	2007
Number of shares	9,233,057	9,232,679	9,232,676
Dividend per share (€)	1.05	1.00	1.00
Total per share (€)	**1.05**	**1.00**	**1.00**
Total dividend (€)	**9,694,710**	**9,232,679**	**9,232,676**
Dividend eligible for the 40% exclusion (€)	9,694,710	9,232,679	9,232,676
Dividend not eligible for the 40% exclusion	NA	NA	NA

DIRECTOR'S FEES

We propose that you authorize the payment of director's fees for the current year, in an amount not to exceed €100,000.

COMPENSATION OF EXECUTIVE OFFICERS

Since 1999, Jean-Michel Aulas and Patrick Bertrand have been paid by ICMI, a holding company that acts as lead shareholder. Its two principal investments are Olympique Lyonnais Groupe and Cegid Group, which represent combined proforma sales of €405 million and a combined workforce of 2,354. As ICMI is the lead shareholder, Messrs. Aulas and Bertrand are called upon to exercise their functions in the various companies in the Group. ICMI, which has six employees, also provides financial, accounting and legal services. In 2010, Cegid Group recognized fees of €3,095 thousand for the services of ICMI (€2,955 thousand in 2009).

Compensation for the executive officers of ICMI includes a fixed portion and a variable portion determined principally on the basis of the consolidated results of Olympique Lyonnais Groupe and Cegid Group. The fixed portion(1) of compensation and benefits of all kinds attributed for 2010 by ICMI, the Company and its subsidiaries to Jean-Michel Aulas totaled €749 thousand (€678 thousand in 2009) and the variable portion €482 thousand (€501 thousand in 2009). The fixed portion(1) attributed to Patrick Bertrand totaled €444 thousand (€382 thousand in 2009) and the variable portion €183 thousand (€223 thousand in 2009).

[(1)] The fixed portion included a fixed annual gross salary, benefits in kind, the collective performance bonus (intéressement), director's fees and post-employment benefits.

Compensation paid to the other executive officers consisted only of director's fees paid in 2010 in respect of 2009 and were as follows:

- Christian Collin [(1)] €11,500
- Benoît Maes [(2)] €7,100
- Franklin Devaux €9,100
- Apax Partners.. €11,500
- Jacques Matagrin.. €9,500
- Lucien Deveaux... €2,300
- Jean-Luc Lenart.. €9,500
- Benoît de Rodellec du Porzic €9,500

[(1)] The director's fees were paid to Groupama.
[(2)] The director's fees were paid to GAN.

The Board of Directors attributes director's fees to members of the Board on the basis of their actual presence at meetings, with an additional weighting for the two executives and the members of the Strategy Committee.

The Company has made no other commitments to the executive officers.

RATIFICATION OF THE APPOINTMENT OF THIERRY MARTEL AS BOARD MEMBER

You will be asked to ratify the Board's interim appointment of Thierry Martel as a Board member on May 6, 2010.

The Board of Directors

LIST OF FUNCTIONS EXERCISED BY EXECUTIVE OFFICERS IN OTHER COMPANIES DURING 2010

Name of company or executive officer	Date of first appointment	Date term expires	Principal function in the company	Principal function outside the company	Other positions held in all companies in 2010
Jean-Michel Aulas	June 20, 1983	Shareholders' Meeting approving the 2015 financial statements	Chairman	Chairman and CEO, Olympique Lyonnais Groupe	Chairman ICMI, Member of Cegid Group Audit Committee, Chairman CEO Cegid, Chairman Quadratus, Director Civitas, Chairman Cegid Services, Chairman CEO Olympique Lyonnais Groupe, Chairman CEO SASP Olympique Lyonnais, Director OL Voyages, Director Association Olympique Lyonnais, Director l'Ambassade Limited.
ICMI represented by Patrick Bertrand	September 14, 1983	Shareholders' Meeting approving the 2015 financial statements	Director	Deputy CEO ICMI	**Patrick Bertrand:** CEO Cegid Group, Delegated CEO Cegid, CEO Quadratus, Chairman Civitas, Director Expert & Finance, Perm. rep. ICMI on Olympique Lyonnais Groupe Stadium Investment Committee, Perm. rep. ICMI on Olympique Lyonnais Groupe Audit Committee, Director and Vice Chairman Figesco, Member of Supervisory Board, Alta Profits, Chairman l'Ambassade Limited.
Thierry Martel	May 6, 2010	Shareholders' Meeting approving the 2013 financial statements	Director		Chairman Amaline Assurances, GM GAN Patrimoine, Perm. rep. on Board of Groupama Banque, Director Banque Postale Assurances IARD, Chairman of a health services management company.
Christian Collin	February 1, 2008	Shareholders' Meeting approving the 2013 financial statements	Director, Chairman of Audit Committee		CEO Groupama Finance and Risks, Perm. rep. of Groupama SA on Silic's Board, Vice Chairman and Director Groupama Banque, Chairman Groupama Asset Management, Chairman Groupama Immobilier, Chairman Compagnie Foncière Parisienne, Chairman Groupama Private Equity, Director Banque Postale Assurances IARD, Member of Supervisory Board and perm. rep. of Groupama Investissements on Board of Gimar Finance & Compagnie, Director Star (Tunisia).
Franklin Devaux	June 9, 1987	Shareholders' Meeting approving the 2015 financial statements	Director		Director Fondation Nicolas Hulot, Director Aéro Club de France, Director Citizengate, Director Falconsecurigate, Member Cegid Group Audit Committee.
Lucien Deveaux	November 4, 1997	Shareholders' Meeting approving the 2014 financial statements	Director		CEO FRD Holding SAS, CEO RFD Participations SAS, CEO Grange Tambour Participations SAS, Member of Supervisory Board Deveaux SA, Chairman of Supervisory Board Armand Thiery, Chairman of Supervisory Board Ecce SA, Chairman Devlocation, Director Lyonnaise de Banque.
Jean-Luc Lenart	November 16, 2004	Shareholders' Meeting approving the 2015 financial statements	Director	Chairman ACLAM	Member of Supervisory Board Imagination SAS, Chairman of Supervisory Board Kayentis SAS, Member of Supervisory Board Rhapso SA, Member of Supervisory Board of Lowendalmasai SA and Lowendalmasai Développement (subsidiary and parent), Director Compario SA, Chairman Aclam e.u.r.l, Chairman Les Sources SC, Chairman AMC Lourcine SC.
Jacques Matagrin	June 12, 2002	Shareholders' Meeting approving the 2013 financial statements	Director	Chairman, Noirclerc Fenêtrier Informatique	Member of Cegid Group Audit Committee, Chairman Tout Lon, Director Olympique Lyonnais Groupe, Member of Olympique Lyonnais Groupe Stadium Investment Committee, Chairman Association Olympique Lyonnais, Director OL Voyages, Chairman Noirclerc Fenêtrier Informatique, Chairman SCI Duvalent, Director Bemore (Switzerland).
Michel Reybier	May 21, 1997	Shareholders' Meeting approving the 2014 financial statements	Director		Chairman Domaines Reybier, Chairman MJ France, Director EIG Hélipart, Director Pebercan.
Benoît de Rodellec du Porzic	November 26, 2008	Shareholders' Meeting approving the 2015 financial statements	Director		Chairman RPA Conseil, Chairman CIT COM, CEO [1], Director Civitas.

[1] Until January 4, 2011.

POWERS GRANTED BY SHAREHOLDERS TO THE BOARD OF DIRECTORS UNDER ARTICLES L.225-129-1 AND L.225-129-2 OF THE FRENCH COMMERCIAL CODE

Use of Powers in 2010	Used	Unused
Authorization for the Board of Directors to issue securities with preferential subscription rights. Term of authorization: 26 months. (May 7, 2008 Special Shareholders' Meeting).		x
Authorization for the Board of Directors to increase share capital by incorporating reserves, retained earnings or premiums. Term of authorization: 26 months. (May 7, 2008 Special Shareholders' Meeting).		x
Authorization for the Board of Directors to issue securities without preferential subscription rights. Term of authorization: 26 months. (May 7, 2008 Special Shareholders' Meeting).		x
Authorization for the Board of Directors to increase the amount of securities issued in the event of surplus demand. (May 7, 2008 Special Shareholders' Meeting).		x
Authorization for the Board of Directors to issue shares or other securities and to set the issue price thereof. Term of authorization: 26 months. (May 7, 2008 Special Shareholders' Meeting).		x
Authorization for the Board of Directors to increase the capital by up to 10% to provide valuable consideration for contributions-in-kind. Term of authorization: 26 months. (May 7, 2008 Special Shareholders' Meeting).		x
Authorization for the Board of Directors to grant subscription-type and/or purchase-type stock options for the benefit of employees and/or executive officers of the companies in the Group. (May 7, 2008 Special Shareholders' Meeting).		x
Authorization for the Board of Directors to use its powers to increase or reduce share capital when the shares of the Company are subject to a public takeover offer. (May 7, 2008 Special Shareholders' Meeting)		x
Authorization for the Board of Directors to use the powers granted under resolutions four, five, and six of the May 7, 2008 Shareholders' Meeting, to carry out, pursuant to Article L.255-136 of the French Commercial Code, one or more issues of equity securities with waiver of preferential subscription rights via private placement, as allowed under Article L.411-2, II of the Monetary and Financial Code. (May 12, 2009 Special Shareholders' Meeting)		x
Authorization for the Board of Directors to issue redeemable share warrants (BAARs) to certain employees of the Company, other companies in the Group and ICMI, as well as to an executive officer of the Company. (December 22, 2009 Special Shareholders' Meeting.). Term of authorization: 18 months.	x	
Authorization for the Board of Directors to issue securities with preferential subscription rights. Term of authorization: 26 months. (May 6, 2010 Special Shareholders' Meeting).		x
Authorization for the Board of Directors to increase share capital by incorporating reserves, retained earnings or premiums. Term of authorization: 26 months. (May 6, 2010 Special Shareholders' Meeting).		x
Authorization for the Board of Directors to issue securities with waiver of preferential subscription rights. Term of authorization: 26 months. (May 6, 2010 Special Shareholders' Meeting).		x
Authorization for the Board of Directors to increase the amount of securities issued in the event of surplus demand. (May 6, 2010 Special Shareholders' Meeting)		x
Authorization for the Board of Directors to issue shares or other securities and to set the issue price thereof. Term of authorization: 26 months. (May 6, 2010 Special Shareholders' Meeting).		x
Authorization for the Board of Directors to increase the capital by up to 10% to provide valuable consideration for contributions-in-kind. Term of authorization: 26 months. (May 6, 2010 Special Shareholders' Meeting).		x
Authorization for the Board of Directors to issue free share warrants to Company shareholders. (May 6, 2010 Special Shareholders' Meeting) Term of authorization: 18 months.		x
Authorization for the Board of Directors to issue free share warrants to Company shareholders. (May 6, 2010 Special Shareholders' Meeting) Term of authorization: 18 months.		x
Authorization for the Board of Directors to use its powers to increase or reduce share capital when the shares of the Company are subject to a public takeover offer. (May 6, 2010 Special Shareholders' Meeting)		x
Authorization for the Board of Directors to use the powers granted under resolutions four, five, and six of the May 7, 2008 Shareholders' Meeting, to carry out, pursuant to Article L.255-136 of the French Commercial Code, one or more issues of equity securities with waiver of preferential subscription rights via private placement, as allowed under Article L.411-2, II of the Monetary and Financial Code. (May 6, 2010 Special Shareholders' Meeting)		x

FIVE-YEAR FINANCIAL SUMMARY

Closing date	12/31/2010	12/31/2009	12/31/2008	12/31/2007	12/31/2006
Number of months	12	12	12	12	12
Share capital at closing					
Share capital	8,771,404.15	8,771,404.15	8,771,045.05	8,771,042.20	8,239,342.40
Number of shares					
- ordinary	9,233,057	9,233,057	9,232,679	9,232,676	8,672,992
- preferred					
Maximum number of new shares to be issued	-	-	1,595,838	1,595,841	2,163,966
Operations and earnings					
Sales (excl. VAT)	4,667,799	4,578,224	4,306,298	4,194,753	3,946,871
Income before tax, depreciation, amortization and provisions	10,488,294	9,645,200	12,145,882	28,808,176	468,280
Income tax	227,844	1,243,282	-1,745,449	-247,031	-912,146
Depreciation, amortization & provisions	-663,000	-2,479,808	1,019,382	12,206,952	773,349
Net income	10,923,450	10,881,726	12,871,949	16,848,255	607,077
Dividends paid	9,694,710*	9,246,018	8,810,136	9,061,796	8,254,463
Earnings per share					
Income after tax, but before depreciation, amortization and provisions	1.11	0.91	1.50	3.15	0.16
Income after tax, depreciation, amortization and provisions	1.18	1.18	1.39	1.82	0.07
Dividend per share	1.05*	1.05	1.00	1.00	0.95
Personnel					
Average number of employees					
Payroll**	60,000	60,000	125,000		
Employee benefits and social welfare costs	28,624	25,587	44,043		

* Proposed dividend to be submitted to shareholders at the Annual Shareholders' Meeting on May 19, 2011.
** Relates to an executive officer.

OTHER INFORMATION

Location and size of the issuer's principal sites

The head office of Cegid Group is located at 52, quai Paul Sédallian 69009 Lyon, France.

The Group is continuing to strengthen its presence in France with regard to software development, sales and deployment. Staffing of the principal sites in France broke down as follows: Lyon (855 employees at December 31, 2010 vs. 786 at December 31, 2009), Paris and surrounding area (489 employees), Aix-en-Provence (130 employees), Annecy (50 employees), Orléans (82 employees), Rennes (50 employees) and Roanne (55 employees).

The Company does not own any real estate. The Group has commercial leases on the premises of its various geographic locations.

To ensure development abroad, Cegid is also present in Spain, Italy, the United Kingdom, the United States, Asia (Shenzhen, Shanghai, Hong Kong, Japan) and North Africa. Cegid has 38 employees outside France.

The diversity of our locations enables us to stay close to our customers.

As of December 31, 2010, the workforce of all companies in the Group totaled 2,099 (2,057 at December 31, 2009).

Investment policy

The Group's principal investments are organized around the following themes:

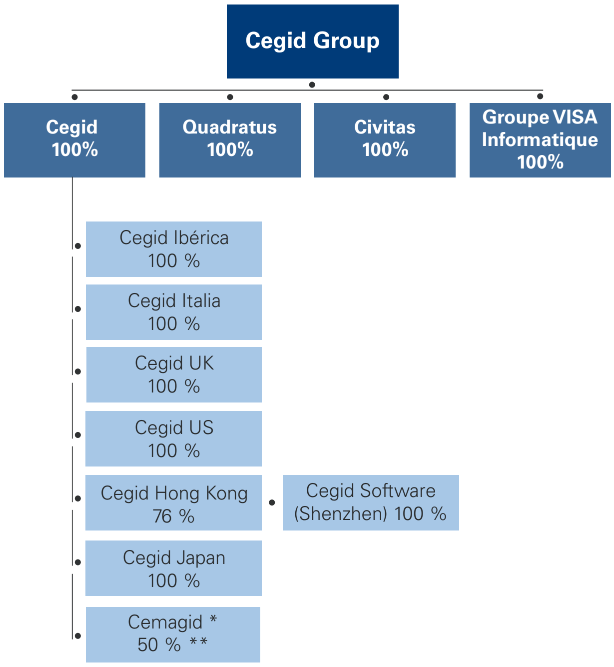
Consolidated figures, in €M	2010	2009	2008
Development costs	28,9	28,8	25,5
Corporate acquisitions	6,2	0,0	19,6
Other intangible assets [1]	1,0	0,5	0,5
Investment in property, plant & equipment [1]	2,3	2,2	1,8

[1] Gross amounts.

- Software development costs: software developed on recent technology platforms (Cegid Business Platform, .Net, Full Web) is mostly capitalized and amortized over five years, while programs developed on other platforms are amortized over three years. Configuration of programs updated annually are amortized over one year. Development teams are located in seven principal sites. Development activities involve a workforce of 537 employees.
- Corporate acquisitions: these acquisitions are generally financed either in cash or through the issuance of shares of the acquiring company in exchange for the shares of the acquired company.
- Other intangible assets: the increase in this type of investment demonstrates Cegid's efforts to enrich its IT system with additional modules.
- Investment in property, plant & equipment: these relate essentially to computer and other equipment for the SaaS platform and to improvements to premises.

These investments are generally financed through the Company's long-term capital, composed of shareholders' equity and the syndicated lines of credit.

SIMPLIFIED CEGID ORGANIZATION CHART AS OF MARCH 31, 2011



* Formerly Comptanoo.
** 50 % held by the Groupama - Gan Assurances group.

1983

- Cegid is founded, specialized in the design and development of business management software and the delivery of "turnkey" information systems to CPAs, auditing firms and small- and medium-sized enterprises.

1986

- Cegid SA is floated on the Second Marché.
- Cegid Kalamazoo Entreprises is formed (corporate product line).
- ITI, a computer equipment maintenance business, is formed.

1987

- Cegid Services is formed in partnership with members of the accounting profession to provide new consulting services.
- Bonds with share warrants (OBSAs) are issued.

1989

- Cegid SA transfers its CPA business to its subsidiary Cegid Informatique (formerly Cegid Kalamazoo Enterprises).
- Cegid SA becomes a holding company, focused on managing its operating subsidiaries, grouped into two divisions: information technology and services.
- Cegid SA shares are transferred to the French monthly settlement market.
- ITI shares are listed on the Lyon over-the-counter market.
- DEI shares are listed on the Lyon over-the-counter market (computer supplies and consumables).

1995

- DEI is acquired by ITI and merged into it. ITI becomes Cegid Environnement Maintenance.

1996

- Cegid becomes the leading French provider of automated solutions for CPAs (source: AVISO study- April 1996).
- Cegid Informatique acquires Silicone Informatique and Silicad.

1997

- Silicone Informatique and Silicad are merged into Cegid Informatique.
- The principal operating subsidiaries of Cegid SA (Cegid Informatique and CEM) are merged into it.
- A convertible bond issue in the amount of FRF103.1 million is carried out in July.
- Orli and Amaris are acquired.

1998

- Alphabla and Apalatys are acquired.
- A 34% equity interest is acquired in Synaptique.
- Alphabla, Orli and Amaris are merged into Cegid SA.

1999

- Servant Soft is acquired via a reserved capital increase followed by an exchange/tender offer, then a withdrawal offer and a squeeze-out.
- A convertible bond issue (OCEANEs) in the amount of €35.4 million is carried out in November.

2000

- Servant Soft enters into a lease-management agreement with Cegid SA.
- Equity investment in Synaptique is increased from 34% to 80%.

2001

- 100% of C-Line's shares are acquired and the company is merged into Cegid SA.
- Cegid Business Intelligence is formed by a spin-off of Servant Soft's Reporting & Business Intelligence division. Cegid Corporation (USA), wholly-owned by Cegid SA, is formed in July.

2002

- Cegid España, 75%-held by Cegid SA, is formed in February.
- Equity investment in Synaptique is increased from 80% to 85%.
- 100% of Magestel's shares are acquired, and a lease-management agreement is initiated with Cegid SA.

2003

- 100% of the shares of Quadratus and its distributors, Data Bretagne, Technilog and NS Informatique, are acquired and the three companies are merged into Cegid SA.
- Equity investment in Synaptique is increased from 85% to 90%.
- 100% of the shares of Logam and ALP are acquired.
- Cegid SA moves to its new headquarters building.

2004

- Logam enters a lease-management agreement with Cegid SA.
- Office supplies and IT consumables business is sold to Liogier.
- An issue of bonds with redeemable share warrants (OBSARs) in the amount of €44.1 million is carried out.
- With the acquisition of Ccmx, Cegid announces the formation of the French leader and top-tier player in the European market for enterprise software.
- CGO Informatique (Fashion) is acquired.
- Equity investment in Synaptique is increased from 90% to 95%.
- Cegid SA takes effective control of Ccmx Holding.

2005

- Datamer business is sold.
- CGO Informatique enters into a lease-management agreement with Cegid SA.
- Business of CSSI is acquired (distribution of Quadratus software).
- Equity investment in Synaptique is increased from 95% to 100% and assets and liabilities are merged as of December 31, 2005.
- Assets of CBI are merged into Servant Soft.
- Assets of Apalatys are merged into Cegid SA.
- Assets of Logam are merged into Cegid SA.
- Assets of Synaptique are merged into Cegid SA.
- Ccmx SA is merged into Ccmx Holding.

2006

- Council of State's decision confirms legality of Cegid SA's takeover of Ccmx.
- Cegid's operating activities are contributed to Ccmx, which changes its name to Cegid.
- Cegid, listed on Eurolist by Euronext Paris, Compartment B (ISIN stock code: FR0000124703) changes its name to Cegid Group.
- GTI Industrie, PMI Soft, I&C and Comptanoo are acquired.
- A €200 million syndicated line of credit is granted.
- Fcrs enters a lease-management contract with Ccmx, now renamed Cegid.
- GTI Industrie merged into SA.

2007

- Cegid partners with SCC: the equipment installation and maintenance business is subcontracted, and the specialized hardware direct sales business and related services offered to certain large accounts are sold.
- AS Infor and its Spanish subsidiary are acquired.
- Cegid Hong Kong Holdings Ltd. is formed.
- HCS is merged into Cegid Group.
- Assets of AS Infor, PMI Soft and ALP are merged into Cegid SA.
- The Industry One solution (SAP technology) is sold.
- Cegid Group and Groupama sign a strategic partnership agreement. Groupama acquires a 17.23% equity interest in Cegid Group.

2008

- GD Informatique (Hospitality) is acquired.
- Cegid Software Ltd is formed in Shenzhen.
- VCSTimeless (Retail) is acquired.
- Cegid Ltd. is formed in the United Kingdom.
- Civitas (public sector) is acquired.
- Aspx sells 50% of the shares of Comptanoo, subject to a condition precedent, to transform it into a joint venture between Cegid and Groupama - Gan Assurances.
- Cegid signs a partnership agreement with Altaven (provider of Optim'is) and acquires a minority stake.
- All assets and liabilities of Timeless, Dirfi and Monexpertcomptable are merged into Cegid SA.
- All assets and liabilities of Etafi are merged into Servant Soft.

2009

- GD Informatique enters a lease-management agreement with Cegid SA.
- Construction industry solutions business is sold to LSE.
- Logistics and equipment preparation business is outsourced to Broke Systèmes.

2010

- ICMI acquires 498,466 shares, representing 5.40% of the capital of Cegid Group, from Apax Partners SA, acting on behalf of the Apax and Altamir Amboise funds.
- Vedior Front RH (HR/Payroll) is acquired, changes its name to Cegid Front RH, and its assets are merged with Cegid SA.
- Cegid Group issues redeemable share warrants (BAARs).
- Axeteam (contract management) is acquired and its assets are merged into Cegid SA.
- GVI Holding and its subsidiaries Visa Informatique and Ensemble Solutions are acquired (public sector).

2011

- Innov'Adhoc (commercial name: Atalante), a provider and integrator of an enterprise solution for associations, trade unions and industry bodies is acquired.
- 21S, a developer of fully web-based solutions for CPAs and their SME customers, is acquired.

DEVELOPMENTS SINCE JANUARY 1, 2011

Sales and product mix in the first three months of 2011 *

Consolidated sales in the first three months of 2011 totaled €61.5 million, up nearly 6% from the year-earlier period (up 2.3% at constant scope).

Increasing use of enterprise software in SaaS mode and the sales resulting therefrom boosted recurrent SaaS sales by 22% to €4.4 million (up 16% at constant scope). As part of business development in the first quarter, new SaaS-mode contracts with a value of €5.5 million were signed (principally for 36 months). Revenue from these contracts will be recognized over the next few years, increasing the proportion of Cegid's recurrent revenue. This favorable level of orders reinforces the trend toward On Demand use of enterprise solutions and confirms Cegid's positioning in this delivery mode.

After taking into account other recurrent revenue, in particular software maintenance revenue of €24.6 million (up 6.6% unadjusted for changes in scope and 2.4% at constant scope), all recurrent revenue totaled €32 million in Q1 2011. This figure represented 52% of the total top line for the quarter, up 6.8% unadjusted for changes in scope. This growth served as validation that acquisitions carried out in 2010, principally in the public sector, were judicious and the acquired companies well integrated.

Revenue from Licenses was stable in Q1 2011 at €7.3 million, compared with €8.1 million in Q1 2010. Revenue from strategic "Software and software-related services (SSRS)" activities totaled €37.5 million in Q1 2011, up 4.8% unadjusted for changes in scope (stable at constant scope).

Orders received near the end of 2010 and optimized planning drove an increase of nearly 15% in "Professional services" revenue, unadjusted for changes in scope (up 10% at constant scope).

As a result, revenue from "SSRS and professional services" rose by 7.4%, unadjusted for changes in scope (3.4% rise at constant scope).

The "Hardware and installation" business posted sales of €7.4 million, a decline of around 3% (4.4% decline at constant scope).

First quarter business, excluding recurrent revenue, was brisk in the all vertical markets: Retail, Manufacturing, Hospitality, CPAs.

The gross margin should come in at nearly 87.5% of sales (vs. 87.9% in Q1 2010).

The average monthly breakeven point of sales in the first quarter of 2011 should be €19.3 million and will reflect the following factors:

- the impact of companies acquired in 2010,
- an increase in depreciation and amortization (principally amortization of development costs averaging €0.3 million per month).
- increased staffing to support the expansion in Cegid's business.

* The figures included in this section are consolidated, unaudited, preliminary estimates.

Cegid is stepping up the development of SaaS-mode applications

Fully web-based technology solutions for CPAs and their SME customers

Based on the success of its SaaS solutions for the accounting profession, with Cegid Expert On Demand and Quadra Expert On Demand having attracted more than 150 new accounting firms and 1,300 users since January 1, 2010, Cegid acquired 21S on April 19, 2011. 21S will strengthen Cegid's ability to offer new innovative services in On Demand mode.

21S has 100 CPA shareholders alongside Rémi Loyer, the company's founder. With this acquisition (€0.3 million in sales), Cegid acquires fully web-based technologies and functions and new skills it can use to step up the development of its "cloud" solutions.

By joining Cegid, 21S will be able to transform its current solutions right from 2011 and offer new cloud-based applications with a strong accountant-client collaborative dimension. These will spell productivity gains for the CPA firm and readily-available information for the company.

SaaS solutions for associations

On March 1, 2011, Cegid acquired 100% of the shares of Innov'Adhoc (commercial name: Atalante), a provider and integrator of an enterprise solution for associations, trade unions and industry bodies.

By acquiring Atalante (sales of €0.3 million), Cegid has taken on new expertise that will stand it in good stead for becoming the leader in a market comprised of 500,000 associations, using a business model based on recurrent revenue (SaaS). Marc Gallien, Atalante's founder, and his team will join Cegid's "Entrepreneurs and associations" business unit.

This acquisition will enable Cegid to:

- step up growth in its SaaS-mode solutions,
- expand the Group's presence vis-à-vis associations that receive funding from local authorities, via Civitas and Visa Informatique,
- harness synergies from the Cegid–Groupama/Gan Assurances agreement,
- reap the benefits of accounting firm recommendations,
- provide solutions starting in 2011 for the new accounting and disclosure requirements incumbent upon hunting associations, trade unions and industry bodies.

Cegid has a strategy dedicated to each function or industry

Finance and Human Resources

Cegid continued to develop its product line so as to respond to the new standards in finance and human resources. Specifically, Cegid now offers SEPA (harmonization of payment systems, conversion of third-party bank details) and N4DS solutions (new electronic employment data transmission standards) with features designed to help companies comply with the imposed deadlines.

In addition, Cegid has increased the number of products available in SaaS mode with the release of Yourcegid Talent, a solution forming part of the Yourcegid Human Resources range and designed to help SMEs and large companies manage their talent. Yourcegid Talent covers training, HR development, planning of future skills and staffing requirements, and all evaluation applications (management of annual performance reviews and evaluations).

CPAs

Following on from 2010, a year that saw strong growth in SaaS-mode sales, Cegid continued to support accounting firms in the first quarter of 2011, introducing Cegid Expert On Demand and Quadra Expert On Demand, two hosted solutions, and a solution for managing the relationship between CPAs and their clients through collaborative platforms that now serve 13,000 small companies.

Public sector

The Yourcegid Public Sector On Demand solution was recently honored at the 2011 Eurocloud France forum. Cegid-Civitas was awarded the SaaS trophy for the best public sector customer success story for SICTIAM, an organization of computerized local authorities in the Alps-Mediterranean region.

Retailing

Cegid brought together more than 400 customers of its Retail solutions – both decision-makers and users – from more than 40 countries on the occasion of the "Cegid Retail Connections 2011" forum in Lisbon.

Through this event, Europe's largest specialist retailing conference, Cegid was able to bring customers up to date on its orientation for functional, technological and architectural enhancements to the Yourcegid Retail suite in the areas of cross-channel marketing, optimization and internationalization.

Several informal meeting areas provided an opportunity to present:

- the "Cegid Innovation Store", a new concept store displaying the latest technological, hardware and marketing innovations that are now available for boosting store performance;
- "Partners' Way", a range of innovations articulated around Cegid's technology and applications partners;
- the international center, showing all the configurations available for international versions of Yourcegid Retail solutions as well as all the international business partners,
- the Consulting Forum for raising questions related to implementation, configuration, organization, customization and training

During the 2011 event the members of the "Cegid Retail Club", the Yourcegid Retail users' club, held their annual meeting and elected their Board members.

Manufacturing

At the recent meeting of the Manufacturing users club, Cegid announced the creation of M.I. Club. The objective of this new Yourcegid Industry users club is to bring together the users of the solution's three Manufacturing applications and foster communication among them. This event was also an opportunity to present new functional enhancements, whose objective is to respond to changes in the functions and business lines the solutions cover.

Paperless documents

Cegid is innovating in the field of automation for service activities. SCRIPT, Cegid's solution for automating training session attendance sheets and service reports, received the "e-Doc Award 2011" trophy for the most innovative solution for managing documents at the "Documation 2011" trade show. Documation is the premier event in the document management industry.

Cegid is adding ancillary services to its enterprise solutions that are necessary for efficient IT system deployment and plans to extend these services with the objective of improving relationships with its customers and with training organizations.

Outlook

More organic growth and acquisitions

Following a period that saw a rise of generalist ERP vendors, the market is now trending toward specific expectations on the part of enterprise software users. Firstly, companies want solutions that provide a rapid return on investment and are designed especially for their line of business; secondly they want to take advantage of new usage modes that meet their needs for mobility and scalability and whose cost will not eat into their investment budget.

Against this background, Cegid has numerous strengths it can use to pursue growth both in France and abroad, by leveraging its:

- software provider approach, specialized around the Yourcegid vertical and function-specific product range, which has been very successful with large account customers;
- expertise in SaaS (On Demand) solutions;
- positioning as a comprehensive provider for retail industry companies, which should lead to accelerated international growth;
- sound financial structure bolstered by €200 million in confirmed, five-year lines of credit (extendible to seven).

Cegid's positioning is in line with market expectations and to take advantage of this, Cegid will pursue a major investment program articulated around developing new product lines, strengthening its expertise in hosting and stepping up its multi-channel sales strategy. In 2011, Cegid is poised to demonstrate its ability to generate a favorable level of operating profitability and to take advantage of any economic recovery.

"Consolidated financial statements - 12/31/2010"

CONSOLIDATED FINANCIAL STATEMENTS

(in €000)	2010	% of sales	2009	% of sales	2008	% of sales
Sales	249,619	100.0%	248,588	100.0%	248,515	100.0%
Goods & services purchased and change in inventories	-33,771	13.5%	-31,019	12.5%	-36,748	14.8%
Gross profit	215,848	86.5%	217,568	87.5%	211,767	85.2%
Capitalized expenditures	28,900	11.6%	28,777	11.6%	25,537	10.3%
External expenses	-45,815	18.4%	-45,882	18.5%	-43,106	17.3%
Value-added	198,933	79.7%	200,463	80.6%	194,198	78.1%
Taxes other than income taxes	-6,684	2.7%	-6,590	2.7%	-6,310	2.5%
Personnel costs	-131,841	52.8%	-134,509	54.1%	-131,121	52.8%
EBITDA	60,408	24.2%	59,364	23.9%	56,767	22.8%
Other ordinary income	599	0.2%	457	0.2%	2,129	0.9%
Other ordinary expenses	-1,943	0.8%	-1,178	0.5%	-892	0.4%
Depreciation, amortization and provisions	-32,048	12.8%	-30,137	12.1%	-26,705	10.7%
Income from ordinary activities	27,018	10.8%	28,505	11.5%	31,299	12.6%
Other operating income	5,092	2.0%	3,306	1.3%	1,586	0.6%
Other operating expense	-1,311	-0.5%	-5,272	-2.1%	-2,396	-1.0%
Operating income	30,799	12.3%	26,539	10.7%	30,489	12.3%
Financial income	143	0.1%	136	0.1%	202	0.1%
Financial expense	-1,536	0.6%	-2,606	1.0%	-5,690	2.3%
Net financial expense	-1,393	-0.6%	-2,470	-1.0%	-5,488	-2.2%
Pre-tax income	29,406	11.8%	24,068	9.7%	25,001	10.1%
Income tax	-9,732	3.9%	-6,090	2.4%	-7,620	3.1%
Share in net income of equity-accounted subsidiaries	-382		-106			
Net income	**19,291**	**7.7%**	**17,872**	**7.2%**	**17,381**	**7.0%**
Net profit attributable to parent company shareholders	**19,291**	**7.7%**	**17,872**	**7.2%**	**17,381**	**7.0%**
Average number of shares	8,805,594		8,796,328		8,972,130	
Earnings per share attributable to parent company shareholders	**€2.19**		**€2.03**		**€1.94**	

Statement of comprehensive income (in € 000)	2010		2009		2008	
Exchange differences	13		49		-39	
IAS 19 Amendment	-1,150		98		-120	
Securities measured at fair value	-22		-42		-987	
Deferred taxes	388		-19		381	
Total comprehensive income recognized during the period	**18,155**		**18,019**		**17,221**	

Assets

Net amounts (in €000)	12/31/2010	12/31/2009	12/31/2008
Goodwill	186,352	185,833	187,513
Intangible assets			
Development costs	57,794	55,165	51,051
Brands	1,900	1,900	1,900
Customer relationships	8,669	8,433	9,042
Other intangible assets	1,630	557	501
Property, plant and equipment			
Technical facilities, equipment and industrial supplies	2,788	3,067	2,980
Other property, plant and equipment	2,972	3,280	3,596
Non-current financial assets			
Financial assets valued at fair value	500	534	576
Equity investments	5,550		
Other long-term investments	180	180	180
Loans and deposits	1,478	1,412	1,673
Other financial assets	325	279	192
Equity-accounted subsidiaries	1,102	1,485	
Other receivables	951	913	
Deferred taxes	72	38	1,054
Non-current assets	**272,262**	**263,075**	**260,256**
Inventories and work-in-progress	684	1,002	1,455
Trade receivables and similar accounts	66,432	61,517	69,900
Other receivables and prepaid items			
Personnel	826	447	782
Sales tax receivable	3,029	3,290	2,326
Income tax receivable	92	8	1,224
Other receivables	886	439	2,865
Prepaid expenses	2,811	3,434	3,168
Cash and cash equivalents	3,486	5,227	4,436
Current assets	**78,245**	**75,364**	**86,156**
TOTAL ASSETS	**350,507**	**338,439**	**346,412**

Net amounts (in €000)	12/31/2010	12/31/2009	12/31/2008
Share capital	8,771	8,771	8,771
Share premium	95,241	94,681	94,671
Reserves	50,646	42,988	28,081
Net income for the year	19,291	17,872	17,381
Other shareholders' equity			6,237
Shareholders' equity attributable to parent company shareholders	173,949	164,312	155,141
Total shareholders' equity	**173,949**	**164,312**	**155,141**
Financial liabilities (portion > 1 year)	69,441	63,810	42,709
Acquisition-related debt (portion > 1 year)	3,267	2,281	2,190
Deferred taxes	4,420	3,400	1,243
Provisions for pension obligations and employee benefits	9,444	7,480	6,884
Non-current liabilities	**86,572**	**76,971**	**53,026**
Provisions for other liabilities (portion < 1 year)	6,032	8,628	7,829
OBSAR bonds (portion < 1 year)			43,820
Financial liabilities (portion < 1 year)	1,935	4,913	1,071
Trade accounts payable & similar accounts	22,309	22,428	24,769
Tax and social security liabilities			
Personnel	35,256	35,442	37,296
Other taxes and employee-related liabilities	1,328	1,306	1,726
Sales tax payable	5,484	6,251	5,215
Income tax payable	2,123	3,057	
Other liabilities			
Acquisition-related debt (portion < 1 year)	300	210	710
Payables related to acquired non-current assets (portion < 1 year)	15	178	278
Other liabilities and unearned revenue			
Other current liabilities	5,276	4,706	3,611
Unearned revenue	9,929	10,037	11,921
Current liabilities	**89,986**	**97,157**	**138,246**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**350,507**	**338,439**	**346,412**

Cash flow statement

(in €000)	12/31/2010	12/31/2009	12/31/2008
Net income	19,291	17,872	17,381
Share in net income of equity-accounted subsidiaries	382	106	
Depreciation, amortization & provisions and elimination of non-cash revenue and expense items	26,735	29,032	25,340
Capital gains and losses on disposal of non-current assets	15	261	802
Interest expense	1,166	2,098	5,369
Tax expense	9,732	6,090	7,620
Cash flow generated by the business	57,321	55,459	56,512
Interest paid	-1,323	-1,659	-3,581
Tax paid	-7,820	-19	-3,007
Cash flow after interest and tax paid	48,179	53,781	49,924
Change in inventories	318	265	312
Change in accounts receivable	-4,485	6,215	180
Change in other receivables	-576	1,682	-1,586
Change in trade payables	449	-2,437	-3,196
Change in other payables	-1,337	166	-2,385
Change in working capital requirement	-5,631	5,891	-6,675
Net cash from operating activities	**42,548**	**59,672**	**43,249**
Acquisition of intangible assets	-29,902	-29,260	-25,528
Acquisition of property, plant & equipment	-2,263	-2,203	-1,802
Acquisition of non-current financial assets	-139	-93	-532
Acquisition of companies net of acquired cash	-6,243	-500	-19,619
Disposal or decrease in non-current assets	62	991	117
Net cash from investing activities	**-38,485**	**-31,065**	**-47,364**
Capital increase		10	
Issuance of redeemable share purchase warrants (BAAR)	418		
Acquisition of treasury shares			-8,939
Dividends paid to parent company shareholders	-9,246	-8,810	-9,058
Repayment of OBSAR bonds		-44,100	
Drawdowns under medium-term lines of credit	70,000	68,000	43,000
Repayment of medium-term lines of credit	-68,000	-43,000	-20,000
Change in other financial debt	-86	200	-64
Net cash from financing activities	**-6,914**	**-27,700**	**4,939**
Opening cash and cash equivalents	4,712	3,805	2,981
Change in cash and cash equivalents	-2,851	907	824
Closing cash and cash equivalents	**1,861**	**4,712**	**3,805**

(in €000)	12/31/2010	12/31/2009	12/31/2008
Marketable securities	1,246	3,208	1,474
Cash	2,240	2,019	2,962
Bank overdrafts	-479	-515	-631
Intercompany accounts (credit balances)	-1,146		
Closing cash and cash equivalents	**1,861**	**4,712**	**3,805**

(in €000)	Attributable to parent company shareholders							TOTAL
	Share capital	Share premium	Other share-holders' equity	Reserves and retained earnings	Treasury shares	Income or loss recognized directly in equity	Total attributable to parent company shareholders	Share-holders' equity
Shareholders' equity at 12/31/2007	**8,771**	**94,671**	**6,237**	**47,749**	**-633**	**-653**	**156,142**	**156,142**
2008 net income				17,381			17,381	17,381
Shares held in treasury				-2,197	-6,943		-9,140	-9,140
Exchange differences				-81		-39	-120	-120
IAS 19 amendment						-79	-79	-79
Securities measured at fair value						-647	-647	-647
Allotment of bonus shares				662			662	662
Dividends paid by the Company				-9,058			-9,058	-9,058
Shareholders' equity at 12/31/2008	**8,771**	**94,671**	**6,237**	**54,456**	**-7,576**	**-1,418**	**155,141**	**155,141**
2008 net income				17,872			17,872	17,872
Capital increase from BSAR subscriptions and option exercises	0	10					10	10
Repayment of OBSAR bonds			-6,237	6,237				
Shares held in treasury				136	-121		15	15
Exchange differences						49	49	49
IAS 19 amendment						65	65	65
Securities measured at fair value						-28	-28	-28
Dividends paid by the Company				-8,810			-8,810	-8,810
Shareholders' equity at 12/31/2009	**8,771**	**94,681**	**0**	**69,891**	**-7,697**	**-1,333**	**164,312**	**164,312**
2010 net income				19,291			19,291	19,291
Subscription to redeemable share warrants (BAARs)		560		-142			418	418
Shares held in treasury				36	-10		26	26
Exchange differences				-89		13	-76	-76
IAS 19 amendment						-755	-755	-755
Securities measured at fair value						-22	-22	-22
Dividends paid by the Company				-9,246			-9,246	-9,246
Shareholders' equity at 12/31/20010	**8,771**	**95,241**	**0**	**79,741**	**-7,707**	**-2,097**	**173,949**	**173,949**

Cegid's 2010 consolidated financial statements were approved by the Board of Directors on March 2, 2011 and will be submitted to shareholders at their Annual Meeting on May 19, 2011.

Cegid Group is a company created under French law in 1983. Its head office is located at 52, quai Paul Sédallian, 69009 Lyon, France.

1. HIGHLIGHTS OF FISCAL YEAR 2010

1.1 ICMI purchased half of Apax's ownership interest in Cegid Group

On April 11, 2010, ICMI, investment company and lead shareholder, purchased half of the ownership interest in Cegid Group held by Apax Partners, i.e. 498,466 shares. As a result, ICMI's ownership interest in Cegid Group increased from 4.60% to 10%.

1.2 Acquisition of Vedior Front RH, a specialist in Payroll/HR solutions

On June 16, 2010, Cegid acquired 100% of the shares of Vedior Front RH, a developer of Payroll/HR software solutions, and the company was renamed Cegid Front RH. The company was then dissolved and its assets merged with those of Cegid SA as of August 30, 2010.

1.3 Bank financing

In November 2010, Cegid finalized the renewal of its medium-term bank financing, a €200 million syndicated line of credit extended by eight banks. This line of credit will gradually replace the syndicated line of credit arranged in July 2006. It has an initial term of five years, extendible to seven. As a result, Cegid now has two syndicated lines of credit totaling €200 million from 2011 to 2013, which will gradually amortize from 2014 until June 30, 2017.

1.4 Acquisition of Axeteam

On December 1, 2010, Cegid acquired 100% of the shares of Axeteam, developer and integrator of a business management solution for service companies. The company was dissolved and its assets merged with those of Cegid SA as of December 13, 2010. The merger will be effective in 2011.

1.5 Acquisition of GVI Holding

On December 21, 2010, Cegid Group acquired 100% of the shares of GVI Holding, which in turn owns 100% of the shares of Visa Informatique, a developer and distributor of business management software for local authorities, and 100% of the shares of Ensemble Solutions.GVI Holding and its subsidiaries will be consolidated from January 1, 2011, as the impact in December was not significant.

A table showing the scope of consolidation as of December 31, 2010, including changes in percentage ownership and methods of consolidation, is presented in Note 3.

2. ACCOUNTING PRINCIPLES AND METHODS, CONSOLIDATION METHODS

Compliance statement

Pursuant to EU regulation 1606-2002 Cegid's consolidated financial statements have been prepared in accordance with international accounting standards applicable in the European Union as of December 31, 2010. International accounting standards include the IAS (International Accounting Standards), the IFRS (International Financial Reporting Standards), and the related SIC (Standing Interpretations Committee) and IFRIC (International Financial Reporting Interpretations Committee) interpretations.

The accounting rules and valuation principles used to prepare the financial statements as of December 31, 2010 are those included in the IFRS standards and interpretations published in the Official Journal of the European Union as of December 31, 2010 and whose application is mandatory as of that date. Standards and interpretations issued by the IASB or the IFRIC but not yet adopted by the European Union as of December 31, 2010 have not been applied.

During the year, Cegid applied the standards, amendments and interpretations that became mandatory during the period, including:

- Revised IAS 27 "Consolidated and separate financial statements";
- IAS 39 amendment related to transactions eligible for hedge accounting;
- IFRS 2 amendments related to intra-group transactions for which payment is share-based and which are settled in cash;
- Revised IFRS 3 "Business combinations".

These new provisions had very little significance for the Group's 2010 financial statements. The principal impact resulted from the revised IFRS 3 and concerned the recognition of costs directly related to acquisitions as period expenses.

Cegid opted against early application of standards, amendments and IFRIC interpretations whose application was not mandatory as of December 31, 2010. For the moment, the Group is not affected by these texts or does not expect there to be a significant impact on its financial statements in the coming years.

The Group's accounting principles, described below, have been permanently applied to the fiscal years presented herein.

Presentation of financial statements

The Group's financial statements and notes are presented in thousands of euros.

Cegid applies recommendation 2009-R-03 of the French National Accounting Board (Conseil National de la Comptabilité, or CNC). This recommendation complies with the principles set out in IAS 1 "Presentation of financial statements".

Cegid has decided to retain the former terminology for "balance sheet" and "income statement".

The consolidated balance sheet is presented according to the "current"/"non-current" classification as defined by IAS 1 "Presentation of financial statements".

Items in the consolidated income statement are presented by nature, based on the CNC model.

Cegid uses the indirect method for preparing the cash flow statements in accordance with the recommended format.

Valuation basis

The consolidated financial statements are prepared in accordance with the historical cost principle except for:

- available-for-sale securities, measured at fair value,
- long-term receivables and liabilities, measured at fair value,
- financial liabilities, measured according to the principle of amortized cost.

Use of estimates

Preparation of financial statements that comply with the conceptual IFRS framework requires that certain estimates and assumptions be made that affect the amounts reported in these statements.

The principal items involving the use of estimates and assumptions are impairment tests on intangible assets, deferred taxes, provisions – in particular provisions for pension obligations – and liabilities related to earn-outs paid in the context of acquisitions (earn-out clauses). These estimates are based on the best information available to management as of the date the statements were approved. The current economic and financial environment makes it harder to value and estimate certain assets and liabilities and increases uncertainty about business trends. Management's estimates are based on the information available at the end of the fiscal year.

Should actual events diverge from the estimates and assumptions used, there could be an impact on the amounts recognized in the financial statements.

Methods of consolidation

Cegid Group is the consolidating company.

Companies in which Cegid holds the majority of voting rights, whether directly or indirectly, are fully consolidated. The financial statements of consolidated companies are restated, if necessary, to ensure consistency of accounting and valuation rules.

Jointly-controlled companies are proportionately consolidated. Companies the Group does not control but in which it exercises a significant influence are accounted for using the equity method. The Group is deemed to exercise significant influence if it holds between 20% and 50% of the voting rights. Cegid does not control, either directly or indirectly, any special purpose entities. Companies in which Cegid does not exercise control and over which Cegid does not have significant influence are not consolidated. The list of companies included in Cegid's scope of consolidation is provided in Note 3.

Conversion of the financial statements of foreign subsidiaries

The currency used to prepare the consolidated financial statements is the euro. Items denominated in other currencies used by foreign companies are converted as follows:

- income statement items are converted at the average exchange rate for the year,
- balance sheet items are converted at the exchange rate prevailing on the closing date, except for share capital and reserves, which are maintained at historical cost,
- differences resulting from these conversions are recognized in a specific reserve account in shareholders' equity.

Balance sheet date of the consolidated companies

The financial statements of all consolidated entities are closed on December 31.

Intra-group transactions and accounts

All intra-Group transactions are eliminated, and internal transactions and reciprocal payables and receivables are canceled. Where necessary, the financial statements of subsidiaries are restated to ensure consistency with the Group's standards.

Concerning transfer of computer hardware or capitalized hardware costs within the Group, the acquiring companies have recognized these assets at their transfer prices. Reverting to original cost in order to eliminate increases in asset values would have resulted in expenses disproportionate to the impact of such corrections, in particular in the amount of depreciation. Moreover, the transactions in question were minor and were made on favorable terms.

2.1 Intangible assets

2.1.1 Business combinations

Business combinations are accounted for by the acquisition method, in accordance with IFRS 3 "Business combinations".

As allowed by IFRS 1, business combinations prior to January 1, 2004 have not been restated.

As allowed by the revised IFRS 3, business combinations prior to January 1, 2010 have not been restated.

The principal impact of the revised IFRS 3 and the revised IAS 27 for transactions to which they apply are as follows:

Assets and liabilities of companies acquired by the Group are measured at fair value. Only identifiable liabilities satisfying the criteria for eligibility as a liability of the acquired entity are recognized at the time of the business combination. Accordingly, a liability for restructuring is not recognized as a liability of the acquired company if that company does not have a existing obligation, as of the date of the acquisition, to carry out the restructuring.

The difference between the acquisition cost of the shares and the acquired share of the fair value of the assets and liabilities identified at the acquisition date is recognized as goodwill. The amounts of fair value and goodwill are determined within a maximum of one year from the acquisition date. In certain cases, the Group asks outside experts to value the identifiable intangible assets it has acquired. Changes occurring after that date are recognized in the income statement.

The acquisition cost is equal to the amount of cash or cash equivalents, discounted should the impact thereof be significant, plus any price adjustments. It does not include external costs directly attributable to the acquisition, which are recognized as expenses as incurred.

The acquisition price includes the fair value of the acquired assets and liabilities resulting from any price adjustments, such as earn-outs.

When the Group acquires control of a company, it measures non-controlling interests either at their fair value (full goodwill method) or on the basis of their share in the net assets in the acquired company (partial goodwill method). The choice is made for each acquisition. This item did not have an impact on the fiscal year.

Commitments to purchase non-controlling interests

Conditional or unconditional commitments to buy non-controlling interests are recognized as liabilities in an amount equal to the purchase price of the non-controlling interests. Cegid has opted to recognize the difference between the estimated purchase price of the non-controlling interests and the pro rata share in equity to be acquired as goodwill. At settlement, any change in the purchase price will be reflected in goodwill. As soon as the option becomes available, Cegid plans to retain this accounting method for business combinations which took place before the application date of the revised version of IFRS 3 (for fiscal years beginning on or after July 1, 2009).

Brands

The fair value of brands is measured by calculating the discounted present value of royalties that would have had to be paid to a third party to use the brand if the Group had not owned it. Brand names tied to the Group's business software products are deemed to have an indefinite lifetime and are not amortized. They are subject to impairment tests as detailed in Note 2.3.

Acquired technologies
The fair value of technology is measured by calculating the discounted present value of royalties that would have had to be paid to a third party to use the technology if the Group had not owned it. These assets are amortized according to the methods applied to development costs, as detailed in Note 2.1.4.

Customer relationships
The fair value of customer relationships is measured according to the excess profit method, which consists in identifying the future profits attributable to the intangible asset over the course of its useful life. These assets are amortized over the expected lifetime of the customer portfolio, i.e. 7 or 15 years.

2.1.2 Goodwill

Intangible "business value" (fonds de commerce) amounts related to acquisitions and previously recognized under French GAAP have been reclassified as goodwill. Goodwill represents the difference between the cost of the acquired shares and the fair value of the identified assets, liabilities and contingent liabilities as measured at the acquisition date.

The amount of goodwill is finalized within one year of the acquisition date. When the acquisition cost is less than the fair value of the identified assets and liabilities, the difference is recognized immediately in the income statement.

The amount recognized as goodwill includes all intangible items such as projected synergies and expected growth.

Goodwill is not amortized.

As goodwill is an intangible asset with an indefinite lifetime, it is subject to an annual impairment test in accordance with IAS 36, as amended (see Note 2.3 for a description of the procedures for implementing impairment tests).

When an entity is sold, the gain or loss on sale takes into account the carrying value of the goodwill related to the entity.

2.1.3 Brands and customer relationships

Brands and customer relationships consist principally of intangible assets recognized as a result of business combinations according to the methods detailed in Note 2.1.1.

2.1.4 Development costs

In accordance with IAS 38, research is recognized as an expense and development costs are capitalized so long as the company can demonstrate that:

- it has the intention and financial and technical ability to complete the development project,
- the expected future economic benefits attributable to the development costs are likely to accrue to the company,
- the cost of the intangible asset thereby created can be measured reliably.

The development costs incurred by Cegid in the conduct of its software business (creation of marketable enterprise software) essentially involve the development of software applications and are subject to individual monitoring.

Development costs are measured on the basis of direct wage costs plus employee benefits and allocated overhead costs, calculated using a coefficient applied to the aggregate operating expenses of the relevant departments.

Expenses corresponding to projects not yet finalized are recognized as "intangible assets in progress" and are not amortized. Nevertheless, these projects are monitored and may be subject to impairment losses.

Development costs for recent technological platforms (Cegid Business Platform, .net, java) are generally amortized over five years, while other development platforms are amortized over three years. These periods are applied both to the initial expenditure and the subsequent development costs, i.e. upgrades and maintenance.

Configuration costs related to yearly products are amortized on a straight-line basis over one year.

2.1.5 Acquired software

Acquired software is recognized at its acquisition cost and is amortized over periods ranging from one to five years.

2.2 Property, plant & equipment

Property, plant & equipment is measured at cost less accumulated depreciation and any impairment losses. Depreciation is calculated using the straight-line method over the probable useful life of the asset, as follows:

- Building fixtures and fittings........................ 3 to 10 years
- Computer equipment.................................. 3 or 4 years
- Office equipment .... 5 years
- Office furniture... 8 years
- Equipment and industrial supplies .... 5 years
- Transportation equipment............................. 3 or 4 years

Residual values are generally considered to be nil.

Items acquired under finance leases are recognized as property, plant & equipment if the lease agreements transfer essentially all of the risks and benefits inherent in ownership of the item to Cegid.

Lease contracts that do not transfer the risks and benefits to Cegid are accounted for as operating leases. Payments or benefits under operating leases are recognized on a straight-line basis over the life of the contract.

As of December 31, 2010, Cegid did not have any finance leases.

2.3 Impairment tests on property, plant & equipment and intangible assets

According to IAS 36 "Impairment of Assets", the value in use of intangible assets and property, plant & equipment must be tested as soon as indications of impairment appear. This test must be performed at least once a year on assets with an indefinite useful life.

For this test, property, plant & equipment and intangible assets are categorized into homogeneous groups of assets (Cash Generating Units) whose continuous use generates cash flows largely independent of those generated by other groups of assets.

The value in use of these CGUs is determined on the basis of the discounted present value of projected cash flows (the discount rate is calculated after tax and without regard to the company's debt). Terminal value is measured by discounting a normalized cash flow to infinity, using a perpetual growth rate appropriate for the business sector. When this value is less than the net carrying value of the CGU, an impairment loss is recognized on the difference and charged first to goodwill.

Impairment losses on goodwill are irreversible. Impairment losses on other intangible assets and on property, plant & equipment may be reversed in the event there are indications of a recovery in value.

In this case, the reversal of the impairment loss is limited to the net book value the asset would have had if there had been no loss in value.

The value in use of assets is calculated on the basis of estimates of future cash flows, using the DCF method. This valuation covers a five-year period.

2.4 Financial assets

Financial assets are recognized in one of three categories, as defined by IAS 39:

- Under IAS 39, equity investments in unconsolidated companies are classified as available-for-sale securities. They are initially recognized at historical acquisition cost, then measured at fair value;
- Loans represent loans granted to collector organizations as part of government programs to support residential construction, as well as deposits paid. Contrary to the IAS 39 recommendation, they are not discounted, because their amount is not material,
- Other financial assets include financial assets used in Cegid Group's liquidity contract.

When fair value cannot be reliably determined because there is no active market, the securities are maintained at cost, net of any impairment losses. In such case, recoverable value is determined as a function of Cegid's stake in the net assets, expected future profitability and business prospects of the entity represented by the investment. For listed securities, fair value is the quoted market price at the closing date. Changes in fair value are recognized in a separate shareholders' equity account ("Other reserves") until the securities are sold, at which time they are recognized in the income statement.

When an identified loss in value is considered permanent, based on the circumstances, it is recognized as a financial expense.

2.5 Deferred taxes

In accordance with IAS 12, deferred taxes corresponding to temporary differences between the tax basis and accounting basis applied to consolidated assets and liabilities are recognized using the variable carryforward method. Deferred tax assets are recognized when it is considered likely that the amounts will be recovered at a future date that can be determined with reasonable accuracy.

Reductions in future taxes resulting from the use of tax-loss carryforwards (including amounts that can be carried forward indefinitely) are recognized only if it is likely they will be recovered.

Deferred tax assets and liabilities are not discounted. Deferred tax assets and liabilities are offset within the same tax entity, i.e. the same company or the same tax consolidation group. Deferred tax calculated on items recognized in shareholders' equity is also recognized in shareholders' equity.

2.6 Inventories

Under IAS 2 "Inventories", the acquisition cost of inventories includes the purchase price, transportation and handling costs, and other costs directly attributable to the acquisition of the finished goods, less any price reductions, rebates or financial discounts.

- Inventories of computer hardware are measured according to the weighted average cost method. Net realizable value is the estimated sales price of the product less the costs incurred in selling it.

A provision for impairment is recognized if the net realizable value is less than the purchase price.

- Inventories of raw materials (assemblies and subassemblies) used to perform standard replacements and spare parts used in hardware maintenance are measured using the following methods:

  -the gross value of assemblies and subassemblies includes the purchase price and ancillary costs.
  -spare parts are measured according to the weighted average cost method.
- A provision for impairment is recognized to reflect value in use, with reference to the portfolio of contracts in force and the turnover of spare parts, or based on the net realizable value.

2.7 Receivables

Receivables are initially measured at fair value, which in most cases is their face value. An impairment loss is recognized when the valuation at the closing date is less than the carrying value.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash on hand and in bank current accounts.

Cegid considers as cash equivalents highly liquid investments readily convertible into a known amount of cash and subject to negligible risk.

Cash equivalents are measured at their market value at the closing date.

Given their characteristics, shares of money-market mutual funds are recognized as cash equivalents.

Marketable securities are recognized at acquisition cost. Mutual funds are valued at the redemption price on the last trading day of the reporting period.

Changes in fair value are recognized as financial income or expense.

The value of individual listed securities is determined based on the average quoted price during the last month of the reporting period.

An impairment loss is recognized if the above methods yield a value that is less than historical cost. Such impairment loss is not recognized, however, if the unrealized capital loss it represents can be offset by unrealized capital gains on securities of the same type.

In the event that several securities of the same type and conferring the same rights are sold, the cost basis of the securities sold is estimated using the "first in/first out" method.

2.9 Treasury shares

Shares held in treasury are deducted from consolidated shareholders' equity independently of the reason they are acquired or held and of how they are recognized in the separate financial statements of the company that holds them. Any impairment losses and profit or loss on sale of treasury shares are recognized directly in shareholders' equity (net of tax, if any) and do not contribute to the net income or loss of the period.

2.10 Share-based payments

In accordance with IFRS 2, the benefits granted to certain employees in the form of share-based payments are measured at the fair value of the instruments granted.

These benefits can take the form of instruments redeemed in shares or instruments redeemed in cash.

Redeemable Share Warrants (BAARs)
Redeemable share warrants were offered to employees and executive officers of the Group. These warrants were described in a prospectus approved by the AMF on September 3, 2010 under number 10-302.

All of the 400,000 BAARs offered were sold. As the warrants do not confer the right to subscribe to new shares, but exclusively to acquire existing shares, the issue will not cause any dilution.

One BAAR confers the right to purchase one Cegid Group share at an exercise price of €22.56.The exercise period for the warrants begins on the date the BAARs were admitted to trading on Euronext Paris. For the first tranche of 200,000 warrants (FR0010928093), this period thus began on November 5, 2010 and will end on November 5, 2015 inclusive, and for the second tranche (FR0010928119), also of 200,000 warrants, it will begin on November 5, 2013 and end on November 5, 2016 inclusive.

As the issue price of the BAARs was within the range of market values for Cegid shares (as estimated by an external analyst), no benefit granted to beneficiaries was recognized as an expense in the consolidated financial statements. The warrants are recognized in shareholders' equity at their issue price and are not revalued.

2.11 Financial instruments

Financial instruments are recognized at fair value. Recognition of future variations in the instrument's fair value is based on whether or not the derivative is designated as a hedge, and in this case, on the nature of the hedged item.

These derivative instruments are recognized on the balance sheet at their market value. Changes in market value are recognized in the income statement, except for transactions qualified as cash flow hedges (cash flows related to floating-rate debt). These changes in value are recognized in shareholders' equity.

Cegid documents the relationship between the hedging instrument and the hedged item, as well as its risk management objectives and its hedging strategy, from the inception of the transaction.

Hedge accounting is used for financial items hedged by derivatives and can take one of two forms:

- fair value hedge,
- cash flow hedge.

In the case of a fair value hedge, the financial liability underlying the derivative is revalued on the balance sheet as a function of the hedged risk (related to the fluctuation in interest rates). Changes in the value of the financial liability are recognized in the income statement (as a financial expense) and offset the changes in value of the derivative it underlies to the extent of the hedge.

In the case of a cash flow hedge, the hedged financial liability is recognized on the balance sheet at amortized cost. Changes in the value of the derivative are recognized in shareholders' equity. To the extent that financial expense or income from the hedged item impacts the income statement of a given period, the financial expense or income related to the derivative, recognized in shareholders' equity and pertaining to the same period, is transferred to the income statement.

When a derivative does not satisfy the criteria for hedge accounting, changes in the fair value of the derivative are recognized in the income statement.

2.12 Pension obligations and other post-employment benefits

Pension obligations
Employee benefits (retirement indemnities and long-service awards) are recognized in the consolidated financial statements as non-current provisions. Cegid companies recognize provisions for all of their commitments to employees and executive officers related to retirement, pensions, supplemental pension benefits and all other retirement-related indemnities and allocations. In 2004, the Syntec collective bargaining agreement was amended, removing the ceiling on rights and changing past service costs.

Cegid has opted to spread these costs over the average residual life of the services to be rendered.

Cegid opted for early adoption of the amendment to IAS 19 as of December 31, 2005. This amendment allows actuarial gains and losses to be recognized in shareholders' equity.

Regarding the assumptions underlying the calculation of retirement indemnities, the 2008 French Social Security budget (known as the loi Fillon III), instituted a corporate contribution in the event an employee is subject to involuntary retirement. In this context, the procedures for estimating the provision for retirement indemnities were revised.

To update the provision, Cegid uses the Bloomberg 10-year benchmark rate for top-ranked companies in the euro zone.

In agreement with the management of the Group, the retirement age is 65 for all Group employees. This assumption is in line with the law of November 9, 2010 on pension reform and has not been changed with respect to the previous valuation, as the impact was not significant.

The components of the calculation of pension obligations as of December 31, 2010 are shown in Note 4.6.1.

Transfer of employee benefits
Amendment no.3 to the nationwide, multi-industry, labor-management agreement of January 11, 2008 was instituted in May, 2009. Since July 1, 2009, it has provided employees with health and death & disability insurance for a period of time following their termination. Cegid accounts for this benefit as a termination benefit and recognizes it only when the contract is terminated by the Company.

2.13 Provisions

In accordance with IAS 37, provisions are recognized on a case-by-case basis after an evaluation of the corresponding contingencies and losses. A provision is recognized whenever management becomes aware of an obligation (legal or implied) arising from past events that is expected to result in an outflow of resources not matched by at least an equivalent inflow, and when the amount of such obligation can be reliably measured. Provisions are allocated between current and non-current liabilities according to the expected term of the risk. Provisions with a term of more than one year are discounted if the impact is material.

2.14 Accruals - Unearned revenue

When invoicing applies to the current year and future years, such as invoicing under software support and hardware maintenance contracts, unearned revenue is recognized in accordance with the principle of matching revenue to the year in which it is earned.

2.15 Off-balance-sheet commitments

As part of Cegid's financial reporting, there is a procedure for identifying commitments and contingent liabilities, as well as their nature and purpose:

- commitments backed by personal guarantees (endorsements and guarantees);
- commitments backed by collateral (mortgages, pledges, security deposits), operating leases;
- purchase commitments;
- obligations and commitments to the Group's employees. Employees' individual rights to training are shown as off-balance-sheet commitments. No provision has been recognized with respect to these rights.

2.16 Related-party disclosures and transactions

In compliance with IAS 24, Note 8 to these financial statements presents an exhaustive list of all transactions between Cegid Group, its parent company ICMI SAS (52 quai Paul Sédallian, 69009 Lyon), their subsidiaries and principal executives, and Groupama (8-10, rue d'Astorg, 75008 Paris) and its subsidiaries.

2.17 Earnings per share

Earnings per share are equal to the ratio between:

- net income;
- the weighted average number of shares in circulation, less treasury shares.

Diluted earnings per share are equal to the ratio between:

- net income before dilution plus the amount of interest expense, net of tax, that would be saved if dilutive instruments were converted;
- the weighted average number of ordinary shares in circulation, less treasury shares, plus the number of shares that would be issued following the conversion of convertible instruments into shares and the exercise of rights.

Only dilutive instruments are included in the calculation.

2.18 Components of the income statement

2.18.1 Sales

Under Cegid's accounting principles, in compliance with IAS 18, sales are recognized as a function of the following criteria:

- The event that generates the sale of business software, hardware and other software is delivery to the customer;
- Services are invoiced as they are performed;
- Recurring revenue is apportioned on a pro rata basis.

2.18.2 Capitalized expenditures

The development costs incurred by Cegid in the conduct of its software business (creation of marketable enterprise software) essentially involve the development of software applications and are subject to individual monitoring. Development costs are measured on the basis of direct wage costs plus employee benefits and allocated overhead costs, calculated using a coefficient applied to the aggregate operating expenses of the relevant departments.

2.18.3 Taxes other than income taxes

The French government's 2010 budget, approved on December 30, 2009, reformed the business tax system. The new tax is called the CET ("contribution économique territoriale" or "local economy tax"). This tax is made up of two components: the CVAE (corporate value-added tax) and the CFE (corporate real estate tax). The opinion of the CNC (French National Accounting Board) of January 14, 2010 allows companies to choose whether they classify the CVAE as an operating expense or corporate income tax as defined by IAS 12. Cegid believes that the CVAE to be an operating expense, that the tax change mentioned above is essentially a change in the methods for calculating local French taxes without changing its overall nature and that there is no reason to apply a different accounting treatment to these taxes than the one previously applied to the business tax.

2.18.4 Operating income

The Group's principal activity is the development, hosting, sale and distribution of business management software and related goods and services. Income from ordinary activities derives from these businesses, whether they are recurring or non-recurring in nature.

2.18.5 Other operating income and expense

"Other operating income and expense" includes such unusual and significant items as:

- Capital gains and losses on disposal of property, plant & equipment, if the amounts are material (recurrent sales of hardware are included in income from ordinary activities);
- Reorganization costs;
- Costs related to non-recurring disputes deriving from events not related to the Group's ordinary business activities;
- Any other income or expense that, owing to its nature, cannot be recognized as part of the Group's ordinary activities or which is large enough to impair the comparability of income from ordinary activities from one year to the next and give an inaccurate picture of the Group's performance.

2.18.6 Net financial expense

Cegid has decided to present net financial expense as the difference between:

- financial expense, including:

  - interest expense on financing activities, the additional cost generated by the adoption of IAS 39 (interest expense calculated at the effective interest rate),
  - impairment in the value of investments in unconsolidated companies,
  - other financial discounting expenses,
  - other miscellaneous financial expenses, and
- financial income, i.e. income on cash investments, other dividend income, income from the disposal of other financial assets, other financial discounting income and other miscellaneous financial income.

2.18.7 Tax expenses

The tax expense included in the determination of net income for the year is equal to the total of current and deferred tax. Tax expense is generally recorded in the income statement, with the exception of the portion of tax related to items recognized directly in shareholders' equity.

2.19 Operating Segments

IFRS 8 "Operating segments", which replaces IAS 14 "Segment Reporting", requires companies to present information deriving from the Group's internal reporting.

Consequently, the information published by Cegid, presented in Note 5.1, is in step with internal reporting, which records sales by type and business sector. Measures of profitability (such as income from ordinary activities and operating income) are analyzed on an aggregate basis.

Geographic information is not meaningful.

3. SCOPE OF CONSOLIDATION

Company	Head office Siren code	Business	Months consolidated	% control 2010	% ownership 2010	% ownership 2009	
CEGID GROUP SA	Lyon 327888111	Holding company	12	-	-	-	-
Companies held by Cegid Group							
CEGID SA	Lyon 410218010	Software development	12	100.00	100.00	100.00	Full
QUADRATUS SA	Aix-en-Provence 382251684	Software development	12	100.00	100.00	100.00	Full
CIVITAS SA	Cergy 384626578	Software development	12	100.00	100.00	100.00	Full
GVI Holding SA [(3)]	Poitiers 440399919	Software development	0	100.00	100.00	0.00	NC
CEGID SERVICES SARL	Lyon 341097616	Holding company	12	99.89	99.89	99.89	Full
Companies held by Cegid SA							
CEGID CORPORATION	USA New York	Software distribution	12	100.00	100.00	100.00	Full
CEGID IBÉRICA SL	Spain Madrid	Software distribution	12	100.00	100.00	100.00	Full
CEGID LTD	United Kingdom Manchester	Software distribution	12	100.00	100.00	100.00	Full
VCS TIMELESS ITALIA SRL	Italy Milan	Software distribution	12	100.00	100.00	100.00	Full
CEGID HONG KONG HOLDINGS LIMITED	Hong Kong	Holding company	12	76.00	76.00	76.00	Full
INFORMATIQUE ET COMMUNICATIONS SARL	Beaune 383837994	Software development	12	51.00	51.00	51.00	Full
SERVANT SOFT SARL	Lyon 318762192	Software development	12	100.00	100.00	100.00	Full
GD INFORMATIQUE SAS	Vienne 390420305	Software development	12	100.00	100.00	100.00	Full
CGO INFORMATIQUE SARL	Lyon 323872721	Software development	12	100.00	100.00	100.00	Full
MAGESTEL SARL	Lyon 339067092	Software development	12	100.00	100.00	100.00	Full
FCRS SARL	Lyon 412552317	Software development	12	100.00	100.00	100.00	Full
ASPX SARL	Lyon 430048462	Software development	12	100.00	100.00	100.00	Full
CEGID FRONT RH SAS [(1)]	Lyon 489279018	Software development	3	0.00	100.00	0.00	Full
Axeteam SAS [(2)]	Paris 479 087 983	Software development	1	100.00	100.00	0.00	Full
Company held by ASPX							
COMPTANOO SAS	Lyon 4287144299	Software development	12	50.00	50.00	50.00	EQ
Company held by Cegid Hong Kong Holding Ltd							
CEGID Software LTD	Chine Shenzen	Software distribution	12	100.00	100.00	100.00	Full

IG : Intégration Globale
ME : Mise en Équivalence
NC : Non Consolidé

Internal reorganization and changes in scope

[(1)] On December 21, 2010, Cegid Group acquired 100% of the shares of GVI (see note 1.5).

[(2)] On June 16, 2010, Cegid acquired 100% of Vedior Front RH, a developer of Payroll/HR solutions, and the company was renamed Cegid Front RH. As of October 1, 2010, all the assets and liabilities of Cegid Front RH were transferred to Cegid SA. (see note 1.2)

[(3)] On December 1, 2010, Cegid acquired 100% of the shares of Axeteam (see note 1.4).

4. NOTES TO THE BALANCE SHEET

4.1 Changes in non-current assets

4.1.1 Goodwill

Changes during the period concerning the three Cash Generating Units broke down as follows:

(in €000)	12/31/08	12/31/09	Reclassifications	Increases	Decreases	12/31/10
Cegid	164,789	163,109	-105	537	-18	163,523
Quadratus	16,242	16,242				16,242
Civitas	6,482	6,482	105			6,587
TOTAL	**187,513**	**185,833**		**537**	**-18**	**186,352**

Goodwill related to companies accounted for by the equity method is recognized in the balance sheet under "Equity-accounted subsidiaries".

4.1.2 Business combinations

(in €000)	Acquisition cost (1)	Net assets contributed	Fair value of intangible assets (2)	Negative goodwill (3)	Goodwill
Védior Front RH, acquired on June 16, 2010	1,007	2,080	459	-1,531	
Axeteam, acquired on December 1, 2010	735	67	131		537
TOTAL	**1,742**	**2,147**	**590**	**-1,531**	**537**

(1) Includes earn-outs agreed at the time of the acquisition, with the offsetting entry taken to liabilities and discounted as necessary.
(2) See Note 2.1.1 Business combinations.
(3) Negative goodwill recognized at the time of the acquisition was taken to the income statement as follows: €247 thousand in income from ordinary activities and €1,295 thousand in non-recurring income. Cegid believes, based on an economic analysis of the situation, that negative goodwill as of the date of the acquisition derived from losses incurred between the date of the transaction and December 31 and was generated by operations carried out to integrate the acquired company.

(in €000)	Brands (1)	Technologies (1)	Customer relationships (1)	Deferred tax liabilities	Fair value of intangible assets
Védior Front RH, acquired on June 16, 2010			700	-241	459
Axeteam, acquired on December 1, 2010			200	-69	131
TOTAL			**900**	**-310**	**590**

4.1.3 Impairment tests

A discount rate of 8.6% was used for valuations and impairment tests (same as at December 31, 2009), determined in accordance with the risk profile of the business. A combined change of +/-1% in the main assumptions on which the calculations were based (discount rate and growth rate) does not give rise to a loss to be provisioned. The growth rate beyond the reference period is set at 2% p.a. (same as at December 31, 2009).

4.1.4 Intangible assets

Changes during the period broke down as follows:

(en K€)	12/31/08	12/31/09	Change in scope of consolidation	Reclassifications	Increases	Decreases	12/31/10
Development costs	195,660	220,889	1,634		28,877	-168	251,232
Concessions, patents	4,895	4,574	826	1,068	1,025	-362	7,131
Brands	1,900	1,900					1,900
Customer relationships	9,200	9,200	900				10,100
Other intangible assets	930	658	384	-370		-19	653
Gross amounts	**212,585**	**237,221**	**3,744**	**698**	**29,902**	**-549**	**271,016**
Development costs	-144,608	-165,723	-1,302		-26,816	404	-193,436
Concessions, patents	-4,485	-4,092	-536		-924	362	-5,190
Other intangible assets	-998	-1,350	-384		-663		-2,397
Amortization	**-150,091**	**-171,165**	**-2,222**		**-28,402**	**766**	**-201,023**
Net intangible assets	**62,494**	**66,055**	**1,522**	**698**	**1,500**	**217**	**69,993**

4.1.5 Property, plant & equipment

Changes during the period broke down as follows:

(in €000)	12/31/08	12/31/09	Change in scope of consolidation	Reclassifications	Increases	Decreases	12/31/10
Technical facilities, equipment and industrial supplies	12,246	12,473	135	-703	1,745	-1,350	12,300
Other property, plant & equipment	8,326	8,450	119	20	518	-234	8,873
Gross amounts	**20,572**	**20,923**	**254**	**-683**	**2,263**	**-1,584**	**21,173**
Technical facilities, equipment and industrial supplies	-9,269	-9,410	-100		-1,333	1,330	-9,512
Other property, plant & equipment	-4,729	-5,167	-119		-813	197	-5,902
Depreciation and amortization	**-13,996**	**-14,576**	**-219**		**-2,146**	**1,527**	**-15,414**
Net property, plant & equipment	**6,576**	**6,347**	**35**	**-683**	**118**	**-57**	**5,760**

4.1.6 Investments and other financial assets

Changes during the period broke down as follows:

(in €000)	12/31/08	12/31/09	Change in scope of consolidation	Increases	Decreases	12/31/10
Equity investments				5,550		5,550
Equity investments and related receivables	868	825			-34	792
Other long-term investments	182	182				182
Impairment losses	-294	-294				-294
Total financial investments [(1)]	**756**	**713**		**5,550**	**-34**	**6,230**
Deposits and guarantees	803	556	30	26	-52	560
Loans	975	966		113	-53	1,026
Impairment losses on loans and deposits	-105	-109	-1		3	-107
Loans and deposits	**1,673**	**1,412**		**139**	**-102**	**1,478**
Other financial assets	192	279		46		325
Net non-current financial assets	**2,621**	**2,404**		**5,735**	**-136**	**8,033**

[(1)] Financial investments broke down as follows:

(in €000)	12/31/10	12/31/09
Equity investments	5,550	
Financial assets measured at fair value	792	826
Impairment losses	-292	-292
Total	6,050	534
Other securities	182	182
Impairment losses	-2	-2
Other long-term investments	180	180
Total financial investments	**6,230**	**713**

4.1.7 Equity-accounted subsidiaries

(in €000)	12/31/10	12/31/09
Opening balance	1,485	
Changes in scope		1,591
Share in net income of equity-accounted subsidiaries	-382	-106
Closing balance	**1,102**	**1,485**

Comptanoo, the only company accounted for by the equity method in 2010, posted sales of €957 thousand and a net loss of €767 thousand for the year.

The company's balance sheet at December 31, 2010 was as follows:

- Balance sheet total of €1,866 thousand;
- Total non-current assets of €1,151 thousand and current assets of €715 thousand;
- Total shareholders' equity of €-729 thousand, and liabilities and provisions of €2,927 thousand

4.2 Changes in current assets

4.2.1 Changes related to impairment of current assets

Changes during the period broke down as follows:

(in €000)	12/31/08	12/31/09	Change in scope of consolidation	Increases	Decreases	12/31/10
Inventories and work-in-progress	84	5		13	-2	16
Trade receivables and similar accounts	9,315	9,358	212	4,181	-4,052	9,701
Other receivables	29	44				44
TOTAL	**9,428**	**9,407**	**212**	**4,194**	**-4,054**	**9,761**

4.2.2 Cash and cash equivalents

(in €000)	12/31/10	12/31/09	12/31/08
Shares of mutual funds	1,246	3,208	1,474
Cash	2,240	2,019	2,962
TOTAL	**3,486**	**5,227**	**4,436**

4.3 Financial instruments

4.3.1 Fair value of financial instruments

In accordance with the requirements of IFRS 7, paragraph 27B, the tables below present the three methods used to determine the fair value of financial instruments:

Method 1: fair value based on published price quotations in active markets,
Method 2: fair value based on price quotations on observable markets,
Method 3: fair value based on unobservable markets.

Financial assets (in €000) as of December 31, 2010	Carrying value	Method
Investments in unconsolidated companies	5,550	3
Financial assets measured at fair value	500	1
Other non-current financial assets	180	3
Cash equivalents	1,246	1
Cash	2,238	1
Financial assets measured at fair value	9,714	

Financial liabilities (in €000) as of December 31, 2010	Carrying value	
Acquisition-related debt	3,567	2
Financial liabilities measured at fair value	3,567	

Investments in unconsolidated companies correspond to the acquisition that took place on December 21, 2010 (see Note 1.5).

Financial assets (in €000) as of December 31, 2009	Carrying value	Method
Financial assets measured at fair value	534	1
Other non-current financial assets	180	3
Cash equivalents	3,208	1
Cash	2,019	1
Financial assets measured at fair value	5,940	

Financial liabilities (in €000) as of December 31, 2009	Carrying value	
Acquisition-related debt	2,491	2
Financial liabilities measured at fair value	2,491	

(in €000) as of December 31, 2010	Carrying value	Financial assets at fair value through profit or loss	Available-for-sale assets	Loans and receivables
Investments in unconsolidated companies	5,550		5,550	
Financial assets measured at fair value	500		500	
Other non-current financial assets	180			180
Loans	1,025			1,025
Deposits and guarantees	778			778
Other non-current receivables	951			951
Trade accounts receivable	66,432			66,432
Other short-term receivables	4,833			4,833
Cash equivalents	1,246	1,246		
Cash	2,238	2,238		
Financial assets	**83,732**	**3,483**	**6,050**	**74,199**
	Carrying value	**Financial liabilities at fair value through profit or loss**	**Debt at amortized cost**	**Other liabilities**
Medium-term line of credit	69,441		69,441	
Acquisition-related debt	3,567			3,567
Trade payables	22,309			22,309
Other current liabilities	50,628			50,628
Current financial liabilities	789	480		309
Financial liabilities	**146,734**	**480**	**69,441**	**76,813**

(in €000) as of December 31, 2009	Carrying value	Financial assets at fair value through profit or loss	Available-for-sale assets	Loans and receivables
Financial assets measured at fair value	534		534	
Other non-current financial assets	180			180
Loans	964			964
Deposits and guarantees	727			727
Other non-current receivables	913			913
Trade accounts receivable	61,517			61,517
Other short-term receivables	4,184			4,184
Cash equivalents	3,208	3,208		
Cash	2,019	2,019		
Financial assets	**74,245**	**5,227**	**534**	**68,485**
	Carrying value	**Financial liabilities at fair value through profit or loss**	**Debt at amortized cost**	**Other liabilities**
Medium-term line of credit	63,810		63,810	
Acquisition-related debt	2,281			2,281
Trade payables	22,428			22,428
Other current liabilities	51,150			51,150
Current financial liabilities	4,913	515	4,000	398
Financial liabilities	**144,582**	**515**	**67,810**	**76,257**

4.3.2 Risk management

In the course of its business, Cegid is exposed to interest-rate, liquidity and credit risks. The Group is not exposed to any significant exchange-rate risks.

4.3.2.1 Liquidity risk

Cegid has two syndicated loans:

- A €180 million syndicated loan, granted in July 2006 and repayable at maturity, under which Cegid exercised the loan agreement's extension clause in April 2008. This clause provided for an extension of the maturity date of the loan from June 30, 2011 to June 30, 2013 and an adjustment to the maximum outstanding amount. This amount has thus been reduced to €150 million beginning on June 30, 2011 and to €120 million from June 30, 2012 until June 30, 2013.
- A syndicated loan granted in November 2010 in the amount of €20 million until June 30, 2011, increasing to €50 million until June 30, 2012, to €80 million until June 30, 2013 and to €200 million until June 30, 2014. At that date, it will reduce to €170 million until June 30, 2015. If the loan agreement's extension clauses are exercised, €140 million will be available until June 30, 2016 and €100 million until June 30, 2017.

  This purpose of this new credit facility is to finance the Group's general and investment needs, including acquisition financing. The line has an initial term of five years, extendible to seven, and will gradually replace the syndicated loan granted in July 2006.

The loan agreements include the customary covenants and clauses regarding accelerated maturity, specifically:

- Borrowings become immediately due and payable upon voluntary or involuntary liquidation,
- Maturity may be accelerated in the event of non-payment of an amount due under the agreement or agreements or in the event of non-payment of a tax or social welfare contribution, unless it has been contested,
- Cegid Group must also adhere to the following covenants:

  - consolidated net debt/consolidated shareholders' equity less than 1;
  - consolidated net debt/average consolidated EBITDA of the past two years less than 3.

The Group is currently in compliance with these covenants and intends to remain so. As of December 31, 2010, drawdowns under the syndicated lines of credit totaled €70 million.

Undiscounted financial liabilities broke down as follows, by maturity:

(in €000) as of December 31, 2010	One year or less	1 to 5 years	more than 5 years
Other non-current receivables		1,046	
Financial assets		**1,046**	
Medium-term line of credit		70,000	
Acquisition-related debt	300	3,509	
Financial liabilities	**300**	**73,509**	

(in €000) as of December 31, 2009	One year or less	1 to 5 years	more than 5 years
Other non-current receivables		1,046	
Financial assets		**1,046**	
Medium-term line of credit	4,000	64,000	
Acquisition-related debt	210	2,614	
Financial liabilities	**4,210**	**66,614**	

4.3.2.2 Credit risks

Commercial credit risks

The Group's Finance department has implemented a system for managing commercial credit risks. This system is centralized and is headed by a credit management team in charge of analyzing – and where appropriate, preventing – customer risk, proposing financing solutions and recovering bad debts.
As of December 31, 2010, the Group's accounts receivable included more than 19,800 unpaid balances, and no Group customer invoiced in 2010 represented more than 0.6% of 2010 consolidated sales (0.8% in 2009).
The net amount of receivables more than 60 days old and unprovisioned was €20.4 million out of a total of €27.4 million.

Signature risk

This risk involves principally transactions related to cash investments. Given the amount of cash investments (€1,246 thousand at December 31, 2010 and €3,204 thousand at December 31, 2009) and the nature of the investment vehicles, this risk was not significant (see Notes 4.3 and 2.3).

4.3.2.3 Market risk

Interest rate risk

Cegid has access to medium-term financing (syndicated lines of credit) which carry interest at rates based on Euribor, and it invests its available cash in investments that earn interest at variable short-term rates (Eonia and Euribor). In this context, the group is subject to changes in variable rates and examines this risk regularly.

In January and February 2009, Cegid Group implemented two interest rate hedging arrangements to cover the interest rate risk of its medium-term loan: standard collars with a two-year maturity and a zero premium vs. 1-month Euribor. The notional amount in both transactions is €20 million at maturity.

Start January 29, 2009, floor 1%, Cap 3.60%
Start February 27, 2009, floor 1%, Cap 2.90%

As of December 31, 2010, the fair value of these two financial instruments was not significant, and no consolidation adjustments were made.

Based on this hedge, an increase in interest rates of 1%, at constant debt levels, would lead to an increase in interest expense of around €0.6 million (€0.5 million in 2009).

The Finance department manages the Group's treasury on a daily basis, using dedicated software that interfaces with the integrated IT system. A weekly report of net treasury is prepared and used to track changes in debt and invested cash balances and the type of cash flows.

4.4 Other changes

Breakdown of deferred tax assets and liabilities

(in €000)	12/31/09	Other changes	Impact on earnings	12/31/10
Deferred tax assets	38		34	72
Deferred tax liabilities	3,400	-12	1,032	4,420

(in €000)	12/31/08	Other changes	Impact on earnings	12/31/09
Deferred tax assets	1,054	-1,011	-5	38
Deferred tax liabilities	1,243	198	1,959	3,400

As of December 31, 2010, unrecognized tax assets totaled €24 thousand for French subsidiaries and €1,561 thousand for foreign subsidiaries (€54 thousand and €1,713 thousand, respectively, on December 31, 2009).

4.5 Notes to shareholders' equity

4.5.1 Share capital

Movements in share capital during the 2009 and 2010 fiscal years were as follows:

	Number of shares	Par value (in €)	Share capital (in €)	Share premiums (in €)
As of December 31, 2008	**9,232,679**	**0,95**	**8,771,045**	**94,670,733**
Exercise of BSARs	378		359	10,391
As of December 31, 2009	**9,233,057**	**0,95**	**8,771,404**	**94,681,125**
Subscription to redeemable share warrants (BAARs)				560,000
As of December 31, 2010	**9,233,057**	**0,95**	**8,771,404**	**95,241,125**

Cegid aims to ensure the company's future development and to preserve investor and market confidence. Its objective is to maintain a balance between financial debt and shareholders' equity by keeping the debt to equity ratio below 100% over the long term.

As of December 31, 2010, employees held around 6.24% of the share capital. Cegid aims to increase this percentage, via the employee savings plan and by regular stock option purchase plans and/or bonus share plans.

The Group repurchases its own shares on the market (427,463 shares held in treasury as of December 31, 2010):

- as part of the share buyback programs, under which 404,908 Cegid Group shares are held, 400,000 of which to meet the exercise of redeemable share warrants (BAARs) issued on September 6, 2010 to employees and executive officers. One BAAR confers the right to purchase one Cegid Group share at an exercise price of €22.56. The exercise period for the warrants begins on the date the BAARs were admitted to trading on Euronext Paris. For the first tranche of 200,000 warrants (FR0010928093), this period thus began on November 5, 2010 and will end on November 5, 2015 inclusive. For the second tranche (FR0010928119), also of 200,000 warrants, it will begin on November 5, 2013 and end on November 5, 2016 inclusive.
- as part of the liquidity contract, under which 22,555 shares were held as of December 31, 2010 (see "Purchase and/or sale by the company of its own shares" in the Management Report).

4.5.1.1 Earnings per share

Earnings per share, calculated on the average number of shares, are presented as follows:

	2010	2009	2008
Number of shares at end of period	9,233,057	9,233,057	9,232,679
Average number of shares during the period	8,810,380	8,796,328	8,972,130
Number of additional shares to be issued (1)			1,595,838
Number of shares held in treasury at end of period	427,463	437,014	452,847
Consolidated net income			
Net income attributable to parent company shareholders (in €M)	19.29	17.87	17.38
Earnings per share attributable to parent company shareholders (in €) (2)	2.19	2.03	1.94
Fully diluted earnings per share attributable to parent company shareholders (in €) (3)	2.19	2.03	1.78

(1) As of 12/31/2008 the number of shares to be issued represented the potential issuance of 1,595,838 shares as a result of the exercise of 1,519,846 BSARs.
(2) Based on the average number of shares outstanding (excl. treasury shares).
(3) Based on the average number of shares outstanding plus the number of shares to be issued (excl. treasury shares). Only potentially dilutive shares enter into the calculation.

4.5.2 Share premiums

Share premiums represent the difference between the par value of the shares issued and the amount, net of issuance costs, of cash or in-kind contributions paid in.

4.5.3 Reserves

Cegid's undistributed consolidated reserves totaled €50,646 thousand as of December 31, 2010.

4.5.4 Dividend per share

The amount distributable on 2010 earnings totaled €10,923 thousand.

	2010 (1)	2009	2008
Total net dividend (in €M)	9.70	9.69	9.23
Net dividend per share (€)	1.05 €	1.05 €	1.00 €

(1) A dividend on 2010 earnings of €1.05 per share will be proposed to shareholders at their Annual Meeting on May 19, 2011, totaling €9,695 thousand before taking into account treasury shares.

4.6 Provisions

4.6.1 Non-current provisions

Provisions for pension obligations and employee benefits (in €000)	12/31/10	12/31/09	12/31/08
Present value of commitments at start of period	**7,480**	**6,884**	**5,649**
Changes in scope	7		449
Financial costs	394	364	310
Current service costs	457	138	366
Amortization of unrecognized past service costs	69	69	69
Plan curtailments and liquidations			
Benefits paid during the period - long service awards	-114	-95	-78
Projected present value of commitments at end of period	**8,294**	**7,360**	**6,764**
Actuarial gains and losses/experience adjustments	64	120	120
Actuarial gains and losses/changes in assumptions	1,085		
Present value of commitments at end of period	**9,444**	**7,480**	**6,884**

The amount of these commitments is calculated on the basis of current salaries and is equal to the amounts that will be paid to employees at the time of voluntary retirement, weighted by the following coefficients:

- expected salary increases of 2%;
- retirement age (currently set at 65);
- changes in the workforce, estimates of which are based on projected life-expectancy tables published by INSEE and on staff turnover based on statistical observations;
- a discount rate of 4.00% as of December 31, 2010 (4.90% as of December 31, 2009). This is the Bloomberg 10-year benchmark rate for top-ranked companies in the euro zone. The provision includes employment taxes of 45%.

4.6.2 Current provisions

(in €000)	12/31/08	12/31/09	Increases	Used decreases [1]	Unused decreases [2]	12/31/10
Labor disputes	1,855	2,025	487	-318	-107	2,087
Customer disputes	3,188	3,998	1,422	-763	-2,140	2,517
Reorganization plans	1,897	1,392		-536	-438	418
Other	889	1,213	75	-224	-54	1,010
TOTAL	**7,829**	**8,628**	**1,984**	**-1,840**	**-2,740**	**6,032**

[1] The decreases reflect implementation of the reorganization plans related to VCS Timeless, recognized in 2008, and of the reorganization plans of certain Cegid SA businesses.
[2] Unused decreases correspond mainly to the reversal of a provision recognized prior to the acquisition of VCS Timeless.

4.7 Breakdown of liabilities by maturity

The breakdown of debt and other liabilities by maturity was as follows:

(in €000)	12/31/10	One year or less	1 to 5 years	more than 5 years
Financial debt	70,230		70,230	
Trade payables	22,309	22,309		
Tax and social security liabilities	44,191	44,191		
Payables related to acquired property, plant & equipment	3,582	315	3,267	
Other liabilities and unearned revenue	16,351			
TOTAL	**156,663**	**66,815**	**73,497**	

(in €000)	12/31/09	One year or less	1 to 5 years	more than 5 years
Financial debt	68,723	4,913	63,810	
Trade payables	22,428	22,428		
Tax and social security liabilities	46,056	46,056		
Payables related to acquired property, plant & equipment	2,669	388	2,281	
Other liabilities and unearned revenue	14,743	14,743		
TOTAL	**154,619**	**88,528**	**66,091**	

5. NOTES TO THE INCOME STATEMENT

5.1 Breakdown of sales

5.1.1 By type of business

(in €000)	2010	2009	2008
Licenses	40,702	36,359	40,134
SaaS	16,269	13,432	12,975
Maintenance	96,641	95,491	83,830
Other	6,746	6,478	7,586
Total software and software-related services (SSRS)	**160,358**	**151,760**	**144,525**
Professional services	57,307	60,323	60,844
Total SSRS and professional services	**217,664**	**212,083**	**205,369**
Hardware distribution and other	31,955	36,505	43,146
TOTAL	**249,619**	**248,588**	**248,515**

5.1.2 By industry segment

(in €000)	2010	2009	2008
CPAs and very small companies	68,861	71,197	76,804
General business (services, wholesaling, cleaning, etc.)	77,752	77,572	80,582
Manufacturing	24,347	24,920	28,294
Fashion, Specialist retailing	43,786	40,657	36,164
Construction, Hospitality	19,222	20,775	21,483
Public sector	15,652	13,466	5,188
TOTAL	**249,619**	**248,588**	**248,515**

Changes in scope include changes to operations that took place in 2010.

5.2 Personnel costs

On September 6, 2010, Cegid Group issued 400,000 redeemable share warrants (BAARs) to 86 employees, managers and executive officers of the Company and of certain subsidiaries. Based on the terms of the issue and the conditions for exercising the BAARs, as described in the prospectus ("note d'opération", AMF visa no. 10-302), no employee benefit was recognized.

5.3 Other operating income and expense

(in €000)	2010	2009	2008
Impact of reorganization plans [1]	3,758	2,471	196
Divestments	50	835	
Negative goodwill recognized as income [2]	1,284		1,390
Other operating income	**5,092**	**3,306**	**1,586**
Impact of reorganization plans [1]	-1,289	-4,088	-1,841
Divestments	-22	-834	-555
Payments received in relation to partnerships		-350	
Other operating expense	**-1,311**	**-5,272**	**-2,396**

[1] Primarily VCS Timeless (2008 and 2009) and Cegid SA (2009) reorganization plans,

[2] Negative goodwill related to the acquisition of Védior Front RH (see Note 4.1.2).

5.4 Net financial expense

(in €000)	2010	2009	2008
Financial income from equity investments	6	10	12
Income from investments	10	31	47
Income related to discounting	62	63	27
Write-back of financial provisions			63
Other financial income	174	32	53
Financial income	**252**	**136**	**202**
Interest expense on loans and other borrowings	-1,154	-1,488	-1,736
Expense related to discounting	-91	-91	-104
Interest on OBSAR bonds		-550	-3,576
Financial provisions	-394	-383	-310
Other financial expense	-7	-94	36
Financial expense	**-1,646**	**-2,606**	**-5,690**
Net financial expense	**-1,394**	**-2,470**	**-5,488**

5.5 Taxes

5.5.1 Breakdown of taxes

(in €000)	2010	2009	2008
Current tax	-6,844	-4,136	-1,447
Deferred tax	-2,887	-1,954	-6,173
TOTAL	**-9,732**	**-6,090**	**-7,620**

5.5.2 Tax reconciliation

The amount of the Group's income tax expense is different from the theoretical amount that would be derived from applying the weighted average of the tax rates applicable to the consolidated companies because of the following items:

(in €000)	2010	%	2009	%	2008	%
Pre-tax income	29,406		24,068		25,001	
Theoretical tax	-10,124	34.43%	-8,287	34.43%	-8,608	34.43%
Effect of permanent differences	-187	0.64%	-176	0.73%	872	-3.49%
Losses of foreign subsidiaries (1)	55	-0.19%	1,801	-7.48%	-256	1.02%
Use of tax-loss carryforwards	32	-0.11%	33	-0.14%	359	-1.44%
Tax credits	72	-0.24%	344	-1.43%	57	-0.23%
Rate effects and miscellaneous	421	-1.43%	194	-0.81%	-44	0.18%
Income tax	**-9,732**	**-33.10%**	**-6,090**	**-25.31%**	**-7,620**	**-30.48%**

(1) In 2009, this item included principally tax savings resulting from debt forgiveness in favor of loss-making foreign subsidiaries (€1,957 thousand). The tax-loss carryforwards of these subsidiaries had not been capitalized.

6. EMPLOYEES

The average number of employees in the Group broke down as follows:

	2010	2009	2008
Management level	1,298	1,361	1,286
Non-management level	749	782	803
TOTAL	**2,047**	**2,143**	**2,089**

As of December 31, 2010 employees were distributed among Group companies as follows:

	2010	2009	2008
Cegid	1,761	1,738	1,962
Quadratus	150	141	137
Civitas	121	123	129
GD Informatique (1)			15
Informatique et Communications	5	4	4
Axeteam	2		
Cegid Corporation	3	2	3
Cegid España (2)			3
AS Infor Innovating Retail Applications (2)			1
Cegid Ibérica (2)	8	6	4
Cegid Italia	6	5	4
Cegid Ltd	11	10	10
Cegid Software	10	7	4
Total - companies	**2,077**	**2,036**	**2,276**
Comptanoo (3)	22	21	14
Total - Group	**2,099**	**2,057**	**2,290**

(1) Company operated under a lease-management agreement as of January 1, 2009.
(2) Companies merged on November 6, 2009.
(3) Company was accounted for by the equity method from January 1, 2009.

7. OFF-BALANCE-SHEET COMMITMENTS

7.1 Commitments received

Commitments received as asset and liability guarantees in connection with acquisitions

(in €000)	One year or less	1 to 5 years	more than 5 years
Commitments subject to limitations	5,202		

Bank lines of credit

(in €000)	12/31/10	from 2011 to 2013	2014	2015
Drawdown authorizations	200,000	200,000	170,000	140,000
Of which utilized on 12/31/2010	70,000			

7.2 Commitments given

These commitments broke down as follows:

(in €000)	One year or less	1 to 5 years	more than 5 years	Total 2010
Bank guarantees	1,079	728	271	2,078
Commitments related to leases	8,713	27,963	49	36,725

- Bank guarantees were principally guarantees given to cover real estate leases.
- Commitments related to leases pertain to:

  - Rent on the Group's 56 sites (33 in France).The main commitments are on rents for the head office (expiring in 2012) and the Boulogne and Aix-en-Provence premises (expiring in 2016),
  - long-term leases on vehicles and computer hardware.

Commitments given in connection with bank loans

As indicated in Note 4.3.2, the Group has certain financial resources.

The syndicated loan agreement includes the customary covenants and clauses regarding accelerated maturity:

- Borrowings become immediately due and payable upon voluntary or involuntary liquidation;
- Maturity may be accelerated in the event of non-payment of an amount due under the loan agreement or the bond indenture or in the event of non-payment of a tax or social welfare contribution, unless it has been contested;
- Cegid Group must also adhere to the following covenants:

  - consolidated net debt/consolidated shareholders' equity less than 1;
  - consolidated net debt/average consolidated EBITDA of the past two years less than 3.

The Group is currently in compliance with these covenants and intends to remain so.

7.3 Other commitments

- The post-employment benefits regime at Cegid (Syntec collective bargaining agreement) was changed in 2004. In accordance with the CNC recommendation, the additional commitment corresponding to this change is being amortized over the average remaining term until the corresponding rights are vested (11.5 years). The amount of this commitment at December 31, 2010 was €340 thousand.
- Individual rights to training
  The law of May 4, 2004 (no. 2004-391) on professional training instituted an individual right to training for employees on permanent contracts, totaling 20 hours p.a. Individual training rights can be accumulated over a period of six years and are limited to 120 hours. In accordance with the CNC's urgent issues committee's opinion no. 2004 of October 13, 2004, training is not provisioned and is disclosed as follows:

	Rights acquired at 1/1/10	2010 change	Unused rights at 12/31/10
Rights (in hours)	190,868	15,866	175,003

8. RELATED-PARTY DISCLOSURES

8.1 Transactions with related parties

For 2010, details of the relationship between Cegid Group and ICMI (52 quai Paul Sédallian, 69009 Lyon) and its subsidiaries and principal executives, as well as with Groupama (8-10 rue d'Astorg, 75008 Paris) and its subsidiaries were as follows:

(in €000)	2010	2009	2008
Trade receivables, gross	199	181	267
Operating liabilities	710	220	449
(in €000)	**2010**	**2009**	**2008**
Executive management fees	-3,095	-2,954	-2,899
Other external expenses	-453	-205	-429
Operating expenses	**-3,549**	**-3,160**	**-3,328**
Overheads	409	227	458
Partnership revenue		150	123
Operating revenue	**409**	**377**	**581**

8.2 Benefits granted to executives

The Company's governing bodies consisted of the members of the Board of Directors (11 members as of December 31, 2010) and the Executive Committee (12 members as of December 31, 2010).

(in €000)	2010	2009	2008
Benefits granted to executives			
Short-term benefits [1]	2,034	1,921	2,148
Post-employment benefits	30	53	75
Other long-term benefits			
Share-based payments			451

[1] Short-term benefits include fixed and variable compensation, collective performance bonuses, profit-sharing, benefits in-kind and director's fees.

Jean-Michel Aulas and Patrick Bertrand have been employees of ICMI since 1999. In this capacity, they receive most of their compensation from ICMI, which invoices Cegid Group for management assistance services.

9. FEES PAID TO THE STATUTORY AUDITORS OF GROUP COMPANIES

	Grant Thornton				Mazars				Other auditors			
	Amount (in €000)		In %		Amount (in €000)		In %		Amount (in €000)		In %	
	N	N-1	N	N-1	N	N-1	N	N-1	N	N-1	N	N-1
Audit												
Auditing of consolidated and parent company financial statements												
- Issuer	90	97	50%	52%	88	94	52%	51%				
- Fully consolidated subsidiaries	91	91	50%	48%	83	91	48%	49%	21	20	100%	100%
Other verifications and services directly related to the auditing assignment												
- Issuer												
- Fully consolidated subsidiaries												
TOTAL	**181**	**188**	**100%**	**100%**	**171**	**185**	**100%**	**100%**	**21**	**20**	**100%**	**100%**

10. SIGNIFICANT EVENTS SUBSEQUENT TO CLOSING

Between December 31, 2010 and the date of the Board meeting, no significant events occurred that might have an impact on the financial statements.

To the shareholders,

In compliance with the assignment you entrusted to us at your Shareholders' Meeting, we hereby report to you for the year ended December 31, 2010, on:

- our audit of the consolidated financial statements of Cegid Group SA, as attached to this report;
- the basis for our assessment;
- specific verifications pursuant to law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit consists of examining, on a test basis, or by other selection methods, the evidence supporting the information contained in these financial statements. It also consists of assessing the accounting principles applied, the significant estimates used in preparing the financial statements and their overall presentation. We believe that the information we have collected is sufficient and appropriate to form a basis for our opinion.

We hereby certify that the consolidated financial statements provide a true and fair view of the assets and liabilities, financial position and results of operations of the group of companies included in the consolidation, in accordance with IFRS as adopted by the European Union.

Without qualifying the opinion expressed above, we draw your attention to the issues discussed in Note 2 to the consolidated financial statements on new, mandatory standards and early application of standards.

II - Basis for assessment

In accordance with the provisions of Article L.823-9 of the French Commercial Code on the justification of our assessments, we draw your attention to the following items:

- Asset impairment tests
  At each balance sheet date, the Group systematically tests goodwill and assets with an indefinite useful life for impairment and also evaluates whether there are indications of a loss in the value of long-term assets, in accordance with the methods described in Note 2.3 and Note 4.1.2 to the financial statements. We examined the methods used for implementing these impairment tests, as well as the projected cash flows and assumptions used, and we have verified that the information in the financial statements provided appropriate disclosures in this regard.
- Development costs
  Note 2.1.4 to the financial statements describes the accounting rules and methods for recognizing development costs.

  As part of our assessment of the accounting principles applied by the Group, we have reviewed the procedures for capitalizing development costs, as well as those for amortizing these costs. We have also examined the procedures for verifying their recoverable value, either by assessing projects individually if there is an indication that the asset may be impaired, or together as part of the asset impairment test. We have obtained assurance that Note 2.1.4 provides appropriate disclosures.

The assessments were made in the context of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion expressed in the first part of this report.

III – Specific verification

In accordance with professional standards applicable in France, we have also verified the information related to the Group, as provided in the management report.

We have no comment regarding the accuracy of this information or its consistency with the consolidated financial statements.

Lyon and Villeurbanne, April 18, 2011

The Statutory Auditors

GRANT THORNTON French member of Grant Thornton International François Pons	**MAZARS** Max Dumoulin

“Parent company financial statements - 12/31/2010”

PARENT COMPANY FINANCIAL STATEMENTS

(in €000)	2010	% of sales	2009	% of sales
Sales				
Fees and other re-invoiced items	4,668	100%	4,578	100%
Total sales	**4,668**	**100%**	**4,578**	**100%**
Merchandise and equipment consumed				
Other purchases and external expenses	4,418	95%	4,238	93%
Sub-total	4,418	95%	4,238	93%
Operating expenses				
Taxes other than income taxes	31	1%	34	1%
Salaries	60	1%	60	1%
Employment taxes	29	1%	26	1%
Amortization & provisions	0	0%	40	1%
Other expenses	98	2%	100	2%
Sub-total	218	5%	259	6%
Total expenses	**4,636**	**99%**	**4,496**	**98%**
Operating income	**32**	**1%**	**82**	**2%**
Financial income	12,416	266%	13,587	297%
Financial expense	1,312	28%	1,715	37%
Net financial income	**11,104**	**238%**	**11,871**	**259%**
Pre-tax income	**11,136**	**239%**	**11,953**	**261%**
Extraordinary gains	56	1%	209	5%
Extraordinary losses	41	1%	37	1%
Net extraordinary items	**15**	**0%**	**172**	**4%**
Income tax	228	5%	1,243	27%
Net income for the year	**10,923**	**234%**	**10,882**	**238%**

Assets

(in €000)	Gross 12/31/10	Amortization and provisions	Net 12/31/10	Net 12/31/09
Intangible assets				
Intangible assets of acquired businesses	447	447		
Non-current financial assets				
Equity investments and related receivables	146,088	11,851	134,237	128,559
Other long-term investments	8,224		8,224	7,506
Other non-current financial assets	324		324	279
Non-current assets	**155,083**	**12,298**	**142,785**	**136,344**
Receivables				
Trade receivables and similar accounts	1,897		1,897	2,173
Supplier receivables	7		7	24
Income tax receivables	72		72	
Sales tax receivables	209		209	231
Other receivables	67,171		67,171	66,041
Other				
Marketable securities	1,246		1,246	3,208
Cash & cash equivalents	128		128	116
Current assets	**70,730**		**70,730**	**71,794**
Accruals				
Prepaid expenses	43		43	31
Expenses amortized over several periods				
Total accruals	**43**		**43**	**31**
TOTAL ASSETS	**225,856**	**12,298**	**213,558**	**208,169**

(in €000)	Net 12/31/10	Net 12/31/09
Share capital	8,771	8,771
Share premiums	96,154	95,736
Legal reserve	877	877
Regulated reserve	18	18
Retained earnings	13,447	11,811
Net income for the year	10,923	10,882
Regulated provisions	86	45
Total shareholders' equity	**130,276**	**128,140**
Borrowing and other liabilities due to credit institutions		
Borrowings	70,000	68,000
Overdrafts, bank facilities	288	247
Borrowings and miscellaneous financial liabilities		
Group	8,771	7,897
Accounts payable and similar accounts	1,337	569
Tax and employee-related liabilities		
Personnel	4	4
Employment taxes payable	12	12
Income tax payable	2,076	3,044
Sales tax payable	150	145
Other taxes and employee-related liabilities	7	7
Acquisition-related debt	450	
Other liabilities	187	104
Total liabilities	**83,282**	**80,029**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**213,558**	**208,169**

Cash flow statement

(in €000)	2010	2009
Net income	**10,923**	**10,882**
Amortization & provisions	-663	-2,480
Elimination of non-cash income and expenses	-56	-208
Cash flow from operating activities	**10,204**	**8,194**
Change in working capital requirement	-2,790	5,285
Net cash from operating activities	**7,414**	**13,479**
Acquisition of non-current financial assets	-5,231	-30
Net cash from investing activities	**-5,231**	**-30**
Change in shareholders' equity	418	10
Dividends paid to shareholders	-9,245	-8,810
New borrowings	70,000	25,000
Repayment of borrowings	-68,000	-44,100
Change in Cegid SA intercompany account	947	16,140
Net cash from financing activities	**-5,880**	**-11,760**
Net change in cash	**-3,697**	**1,689**
Opening cash and cash equivalents	**-2,362**	**-4,051**
Closing cash and cash equivalents	**-6,059**	**-2,362**

Cash and cash equivalents included intercompany accounts with credit balances of €8,739 thousand as of 12/31/2010 (€7,604 thousand as of 12/31/2009) and intercompany accounts with debit balances (excl. the Cegid borrowing account) of €1,431 thousand as of 12/31/2010 (€1,918 thousand as of 12/31/2009), which were repayable on demand. As of December 31, 2010, Cegid Group had medium-term lines of credit with undrawn balances of €130 thousand.

Detail of cash and cash equivalents (in €000)	2010	2009
Marketable securities	1,245	3,208
Cash & cash equivalents	128	116
Loans from shareholders/subsidiaries, excl. Cegid	1,431	1,918
Overdrafts, bank facilities	-124	
Intercompany accounts (credit balances)	-8,739	-7,604
Total cash and cash equivalents	**-6,059**	**-2,362**

The 2010 financial statements were approved by the Board of Directors on March 2, 2011.

1. SIGNIFICANT EVENTS

On April 11, 2010, the investment company and lead shareholder ICMI purchased 498,466 Cegid Group shares from Apax, representing half of Apax's holding. As a result of this acquisition, ICMI's stake in Cegid Group increased from 4.60% to 10%.

On November 22, 2010 Cegid finalized the renewal of its medium-term bank financing, signing an agreement for a syndicated line of credit extended by eight banks in an amount up to €200 million. This line of credit will gradually replace the syndicated line of credit arranged in July 2006. It has an initial term of five years, extendible to seven. As a result, Cegid now has two syndicated lines of credit totaling €200 million from 2011 to 2013, which will gradually amortize from 2014 until June 30, 2017.

On December 21, 2010, Cegid Group acquired 100% of the shares of GVI Holding. GVI in turn holds 100% of the shares of Visa Informatique, a developer and distributor of business management software for local authorities, and of Ensemble Solutions.

2. ACCOUNTING PRINCIPLES AND METHODS

2.1 General principles

The financial statements for fiscal year 2010 have been prepared in accordance with the standards defined by the 1999 chart of accounts. General accounting conventions were applied in accordance with the following basic assumptions:

- continuity of operations,
- consistency of accounting methods from one fiscal year to the next,
- independence of fiscal years.

The valuation method generally used was the historical cost method.

2.2. Non-current financial assets

- Equity investments

Equity investments are valued at their historical acquisition cost. Beginning on January 1, 2007, this amount includes fees related to the acquisition. A provision for impairment is recognized on equity investments whose valuation, established based on the following criteria, is less than the balance sheet value:

- value in use based on the subsidiary's re-estimated net asset value and expected profitability (discounted cash flow method),
- value based on recent transactions involving companies in the same sector.

However, a provision for impairment is recognized only if the company has achieved a normal pace of operation (new company), or if the integration phase into Cegid Group has been completed (acquisition).

Costs related to acquisitions that are incorporated into equity investments are subject to special straight-line amortization over five years. At December 31, 2010, a provision for special amortization of €86 thousand was recognized.

- Liquidity contract

Items held in connection with the liquidity contract are recorded as non-current financial assets:

- €511 thousand in treasury shares,
- €324 thousand in other long-term receivables.

- Treasury shares

These shares are valued based on the average quoted price during the last month of the reporting period. A provision for impairment is recognized on treasury shares if the average quoted price during the last month of the fiscal year is less than historical cost.

2.3 Receivables

Receivables are valued at their face value.

An impairment loss is recognized if the valuation at the closing date is less than the carrying value.

2.4 Cash and cash equivalents

Cash and cash equivalents include cash on hand and in bank current accounts.

Marketable securities are recognized at acquisition cost. Mutual funds are valued at the redemption price on the last trading day of the reporting period.

An impairment loss is recognized if the above methods yield a value that is less than historical cost. Such impairment loss is not recognized, however, if the unrealized capital loss it represents can be offset by unrealized capital gains on securities of the same type.

In the event that several securities of the same type and conferring the same rights are sold, the cost basis of the securities sold is estimated using the "first in/first out" method.

2.5 Provisions for contingencies and losses

These provisions are recognized on a case-by-case basis after an evaluation of the corresponding contingencies and losses.

A provision is set up whenever the Company's governing bodies become aware of a legal or constructive obligation resulting from a past event that is likely to result in an outflow of resources not matched by at least an equivalent inflow.

2.6 Operating revenue

Operating revenue consists of fees for the use of Cegid Group's facilities and brand image. These fees are calculated based on the sales (excl. VAT) of the operating subsidiaries.

2.7 Extraordinary items

Extraordinary gains and losses include non-recurring items as well as items considered extraordinary by their nature (asset disposals, gain or loss on sale of treasury shares).

3. NOTES TO THE BALANCE SHEET

3.1 Non-current assets

(in €000)	12/31/09	Increases	Decreases	12/31/10
Intangible assets:				
- Value of businesses	447			447
Non-current financial assets:				
- Equity investments	140,407	5,681		146,088
- Other non-current financial assets	8,493	56		8,549
Gross amounts	**149,347**	**5,737**		**155,083**
Intangible assets:	447			447
Non-current financial assets:				
- Equity investments	11,848	4		11,851
- Other non-current financial assets	707		707	
Amortization and provisions	**13,002**	**4**	**707**	**12,298**

3.2 Maturity of receivables

(in €000)	12/31/10	One year or less	1 to 5 years	more than 5 years
Current assets and prepaid expenses	69,399	6,772	62,627 [1]	
TOTAL	**69,399**	**6,772**	**62,627**	

[1] Cegid SA borrowing account.

3.3. Revenue accruals included in the balance sheet

Trade receivables and similar accounts: €912 thousand.

Other receivables: €6 thousand.

3.4. Prepaid expenses

Prepaid expenses totaled €43 thousand at December 31, 2010. They pertained to normal expenses related to the ordinary operations of the Company.

3.5. Impairment

(in €000)	12/31/09	Increases	Decreases	12/31/10
Intangible assets (Value of HCS business)	447			447
Non-current financial assets	12,555	4	707	11,851
TOTAL	**13,002**	**4**	**707**	**12,298**
Provisions and reversals: - operating - financial - extraordinary				

3.6. Asset items - related parties

(in €000)	12/31/10	of which related parties
Non-current financial investments (gross)	154,636	146,588
Equity investments and related receivables	146,088	146,088
Other long-term investments [1]	8,224	500
Long-term receivables from the liquidity contract	324	
Impairment on non-current financial assets	-11,851	-11,851
Non-current financial assets (net)	142,785	134,737
Trade receivables (gross)	69,356	69,068
Provision for bad debts		
Trade receivables (net)	69,356	69,068
Accruals	43	

[1] Other long-term investments included treasury shares with a carrying value of €7,197 thousand.

3.7. Marketable securities

(in €000)	Gross value	Market value at 12/31/10
Shares of mutual funds	1,246	1,246
Impairment		
TOTAL	1,245	1,245

4. NOTES ON LIABILITIES AND SHAREHOLDERS' EQUITY

4.1 Share capital

At December 31, 2010, Cegid Group's capital consisted of 9,233,057 shares with a par value of €0.95, totaling €8,771,404.15.

4.2 Changes in shareholders' equity

(in €000)	Share capital	Share premium	Reserves	Retained earnings	Net income for the year	Regulated provisions	Total
Shareholders' equity at December 31, 2009	8,771	95,736	895	11,811	10,882	45	128,140
Allocation of 2009 net income [1]				2,084	-10,882		-8,798
Net income for the year					10,923		10,923
Sale of warrants (BAARs)		418					418
Other changes [2]				-448		41	-407
Shareholders' equity at December 31, 2010	8,771	96,154	895	13,447	10,923	86	130,276

[1] According to the allocation of net income and distribution of dividends approved by shareholders at their Ordinary Meeting of May 6, 2010.
[2] Changes resulting from dividends on treasury shares and the special amortization of costs related to the acquisition of Civitas and GVI Holding.

4.3 Provisions for contingencies and losses

None.

4.4 Accrued expenses included in the balance sheet

(in €000)	12/31/2010
Interest expense on borrowings	165
Trade payables	267
Tax and employee-related liabilities	9
Other liabilities (director's fees)	100
TOTAL	**541**

4.5 Liability items - related parties

(in €000)	12/31/2010	of which related parties
Financial debt	79,059	8,771
Operating liabilities	3,586	624
Miscellaneous liabilities	637	31
TOTAL	**83,282**	**9,426**

4.6 Maturity of liabilities

(in €000)	12/31/10	One year or less	1 to 5 years	more than 5 years
Credit lines	70,288	288	70,000	
Misc. financial liabilities	8,771	8,771		
Accounts payable and similar accounts	1,337	1,337		
Tax and employee-related liabilities	2,249	2,249		
Other liabilities	637	187	450	
TOTAL	**83,282**	**12,832**	**70,450**	**-**

5. NOTES TO THE INCOME STATEMENT

5.1 Breakdown of revenue by type of business

(in €000)	2010	2009
Fees for use of Cegid Group's brand image and facilities	4,372	4,333
Other (re-invoicing)	296	245
TOTAL	**4,668**	**4,578**

5.2 Financial income and expense

(in €000)	2010	of which related parties
Financial income		
Dividends and other income from equity investments	10,799	10,799
Capital gains on sale of marketable securities	10	
Interest on intercompany accounts	900	900
Provisions reversed [(1)]	707	707
Other financial income		
TOTAL	**12,416**	**12,406**
Financial expense		
Interest on borrowings	861	
Provisions [(2)]	4	
Interest on intercompany accounts	41	41
Fees	405	
Other financial expenses	3	
TOTAL	**1,313**	**41**
Net financial income	**11,104**	**12,366**

(1) Reversal of impairment provision on treasury shares.
(2) Impairment of Cegid Services shares.

5.3 Extraordinary items

(in €000)	2010	of which related parties
Extraordinary gains		
On operating items [(1)]	56	
Reversals of provisions for contingencies and losses		
TOTAL	**56**	
Extraordinary losses		
On operating items		
Special amortization and provisions	41	
TOTAL	**41**	
Net extraordinary items	**15**	

(1) Relates to income from transactions under the liquidity contract.

5.4 Increases and reductions of future tax liabilities

(in €000)	Amount	Income tax
Reductions	7	2
Provisions not yet deductible		
Accrued expenses not yet deductible	7	2
Increases		

5.5 Breakdown of corporate income tax

(in €000)	Pre-tax income	Tax and profit-sharing	Net income
Pre-tax income	11,136	324	10,812
Net extraordinary items	15	5	10
Impact of tax consolidation		-101	101
Net income	**11,151**	**228**	**10,923**

5.6 Tax consolidation

On January 1, 2000, Cegid Group opted for tax consolidation treatment. The following companies are included in the tax consolidation group:

- Servant Soft SARL, Siren 318 762 192
- CGO Informatique SARL, Siren 323 872 721
- Magestel SARL, Siren 339 067 092
- Cegid SA, Siren 410 218 010
- FCRS SARL, Siren 412 552 317
- ASPX SARL, Siren 430 048 462
- Quadratus SA, Siren 382 251 684
- Civitas SA, Siren 384 626 578

Cegid Group is the tax consolidation group's lead company. The taxes covered under this system are corporate income tax and the "social contribution".

According to the terms of the Group's tax consolidation agreement, the parent company holds a receivable from the subsidiary of an amount equal to the tax the subsidiary would theoretically have had to pay in the absence of the agreement. The tax savings realized by the group are recognized by the parent company and recorded as non-taxable income.

Opinion 2005-B issued on March 2, 2005 by the Urgent Issues Committee concerning the recognition of a provision at a parent company benefiting from tax consolidation treatment has no significant impact on Cegid Group's financial statements.

Application of the tax consolidation agreement resulted in a tax consolidation expense of €228 thousand in fiscal year 2010 (including tax on Cegid Group income).

6. MISCELLANEOUS NOTES

6.1 Average number of employees

Staff consisted of one executive officer.

6.2 Commitments

6.2.1 Commitments given

None.

6.2.2 Commitments received

Commitments received as asset and liability guarantees in connection with acquisitions

(in €000)	One year or less	1 to 5 years	more than 5 years
Commitments subject to limitations		4,250	

Asset and liability guarantees following the acquisition of Civitas and GVI Holding.

Bank lines of credit

Cegid has two syndicated loans:

- A €180 million syndicated loan, granted in July 2006 and repayable at maturity, under which Cegid exercised the loan agreement's extension clause in April 2008. This clause provided for an extension of the maturity date of the loan from June 30, 2011 to June 30, 2013 and an adjustment to the maximum outstanding amount. This amount has thus been reduced to €150 million, effective June 30, 2011, and to €120 million, effective June 30, 2012 until June 30, 2013.
- A syndicated loan granted in November 2010 in the amount of €20 million until June 30, 2011, increasing to €50 million until June 30, 2012, to €80 million until June 30, 2013 and to €200 million until June 30, 2014. At that date, it will reduce to €170 million until June 30, 2015. If the loan agreement's extension clauses are exercised, €140 million will be available until June 30, 2016 and €100 million until June 30, 2017.

6.3 Disputes

None.

6.4 Other information: compensation

For fiscal year 2010, gross compensation paid to members of the governing bodies totaled €100 thousand (director's fees).

As CEO of Cegid Group, Patrick Bertrand receives annual gross compensation of €60 thousand.

Since 1999, Jean-Michel Aulas and Patrick Bertrand have been paid by ICMI and receive most of their compensation from that company. ICMI invoices Cegid Group for management assistance services.

6.5 Fees paid to the Statutory Auditors and members of their networks

	GRANT THORNTON		MAZARS	
(in €000)	Amount	%	Amount	%
Audit				
Auditing of consolidated and parent company financial statements	79	87%	79	88%
Related assignments	12	13%	11	12%
Sub-total	91	100%	90	100%
Other services	-			
TOTAL	**91**	**100%**	**90**	**100%**

6.6 Significant events subsequent to closing

Between December 31, 2010 and the date of the Board meeting, no significant events occurred that might have an impact on the financial statements.

6.7 Information concerning subsidiaries, associates and securities

Group company	Share capital	Shareholders' equity before earnings allocation	Percentage of capital held (%)	Gross carrying amount of shares held	Net carrying amount of shares held	Outstanding loans and advances granted by the Company	Sales (excl. VAT) of most recent fiscal year	Net income or loss in most recent fiscal year	Net dividends received by the Company during the year
1. Subsidiaries (at least 50% of the shares held by the Company)									
Cegid SA Lyon	18,606,860	136,586,059	100%	99,509,909	99,509,909	62,627,177	215,312,152	7,978,972	5,954,195
Cegid Services SARL Lyon	37,365	370,112	100%	12,221,429	370,112			-3,593	
Quadratus SA Aix en Provence	1,500,000	8,259,719	100%	18,440,000	18,440,000		22,436,419	5,259,416	4,845,000
Civitas SA Cergy	1,000,000	5,806,342	100%	10,235,785	10,235,785	1,431,000	14,622,757	413,636	
GVI Holding SAS Loudun	858,240	3,454,922	100%	5,681,289	5,681,289	,	1,142,000	264,668	,
2. Associates (between 10% and 50% of the shares held by the Company)									
None									
3. General information regarding equity investments not included in 2.									
Miscellaneous equity investments				515,314	515,314				
4. General information relating to other marketable securities									
Liquidity contract				835,370	835,370				

6.8 Related parties

For 2010, details of services rendered between Cegid Group and ICMI (52 quai Paul Sédallian, 69009 Lyon) and its subsidiaries and principal executives, as well as Groupama (8-10 rue d'Astorg, 75008 Paris) and its subsidiaries were as follows:

(in €000)	2010
Trade receivables (gross)	
Operating liabilities	598
(in €000)	**2010**
Executive Management fees	-3,095
Other external expenses	-10
Operating expenses	-3,105
Overheads	
Partnerships	
Operating revenue	

To the shareholders,

In compliance with the assignment you entrusted to us at your Shareholders' Meeting, we hereby report to you for the year ended December 31, 2010, on:

- the audit of the annual financial statements of Cegid Group SA, as attached to this report,
- the basis for our assessment,
- specific verifications and information required by law.

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion on the annual financial statements

We conducted our audit in accordance with professional standards applicable in France. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit consists of examining, on a test basis, or by other selection methods, the evidence supporting the information contained in these financial statements. It also consists of assessing the accounting principles applied, the significant estimates used in preparing the financial statements and their overall presentation. We believe that the information we have collected is sufficient and appropriate to form a basis for our opinion.

We certify that the annual financial statements provide, from the standpoint of French accounting rules and principles, a true and fair view of the results of operations for the fiscal year under review, as well as the Company's financial position and assets as of the end of the same year.

II - Basis for assessment

In accordance with the provisions of Article L.823-9 of the French Commercial Code on the justification of our assessments, we draw your attention to the following items:

- Cegid Group SA's non-current assets include net equity investments amounting to €134,237 thousand as reported on the year-end 2010 balance sheet. They are valued at their historical cost and written down on the basis of their value in use, according to the methods described in paragraph 2.2 of the notes.

  Using the information communicated to us, we assessed the data upon which these values in use were based. In particular, we reviewed the present value calculations related to projected profitability and the achievement of objectives, and we verified the consistency of assumptions with the forecasts deriving from the strategic plans approved by managementrale.

These assessments form an integral part of our audit of the annual financial statements as a whole, and therefore provide a basis for the opinion expressed by us in the first part of this report.

III - Specific verifications and information

We have also performed, in accordance with accounting standards applicable in France, the specific verifications required by law.

We have no matters to report on the fair presentation of the information provided in the Board of Directors' management report and in the documents sent to shareholders concerning the financial situation and annual financial statements, or the consistency of this information with the annual financial statements.

Concerning the information provided in accordance with the requirements of Article L.225-102-1 of the French Commercial Code relating to compensation and benefits received by the executive officers and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we certify the accuracy and fair representation of this information.

As required by French law, we have verified that the information concerning new investments and the identity of the shareholders (and holders of voting rights) has been disclosed in the Management Report.

Lyon and Villeurbanne, April 18, 2011

The Statutory Auditors

GRANT THORNTON
French member of Grant Thornton International
François Pons

MAZARS
Max Dumoulin

Cegid Group SA
Annual Shareholders' Meeting called to approve the financial statements for the period ending December 31, 2010

To the shareholders,

In our capacity as Statutory Auditors of your Company, we present our report on regulated agreements and commitments.

It is our responsibility to inform you, on the basis of the information provided to us, of the essential features of the agreements and commitments of which we have been advised or that we may have discovered during our audit, but not to pass judgment on their usefulness and validity nor to search for other existing agreements and commitments. According to Article R.225-31 of of the French Commercial Code, it is your responsibility to assess whether it is in your interest to enter into these agreements and commitments before approving them.

In addition, it is our responsibility to inform you, pursuant to Article R.225-31 of the French Commercial Code, of any agreements and commitments that you have already approved and that remained in force during the year under review.

We have carried out the procedures we deemed necessary with regard to the professional standards of the Compagnie Nationale des Commissaires aux Comptes (French society of auditors) relative to this assignment. These procedures consisted in verifying that the information provided to us corresponded to the underlying documents from which they derived.

1 Agreements and commitments submitted to shareholders

Agreements and commitments authorized during the year under review

Pursuant to Article L.225-40 of the French Commercial Code, we have been advised of the following agreements and commitments, authorized by your Board of Directors.

1.1 Agreements with GVI Holding

On December 1, 2010, your Company authorized the following agreements, with effect from January 1, 2011:

- Consulting and management assistance services provided by Cegid Group to GVI Holding in return for a fee equal to 0.7% of sales, excluding VAT and re-invoiced expenses;
- Centralized cash management, with the stipulation that cash advances shall bear interest on the basis of 3-month Euribor plus a margin of -0.20% or +0.50% depending on whether Cegid Group is borrower or lender;
- GVI Holding may use Cegid Group's brand image in return for a fee equal to 1% of sales, excluding VAT and re-invoiced expenses.

As of end-December 2010, the balance of advances granted by GVI Holding was €1,146 thousand and bore no interest.

2 Agreements and commitments already approved by shareholders

Agreements and commitments approved in prior years and remaining in force during the fiscal year

Pursuant to Article R.225-30 of the French Commercial Code, we have been advised that the following agreements and commitments, approved during previous fiscal years, remained in force during the fiscal year under review.

2.1 Cash management agreement

The advances granted in the context of the cash management agreement bear interest on the basis of 3-month Euribor with a margin, differentiated as follows:

- -0.20% when Cegid Group is the borrower
- +0.50% when Cegid Group is the lender

Advances granted by	Advances received by	Balance at 12/31/2010 in €000	Income (expense) recognized in €000
Quadratus	Cegid Group	7,225	(38)
Cegid Services	Cegid Group	368	(2)
Cegid Group	Civitas	1,431	27
Cegid Group	Cegid	62,627	873

2.2 Management assistance agreements

Agreement for management assistance services provided by ICMI to Cegid Group. The amount of the fixed fee will be tied to changes in the Syntec index. The amount of the variable fee is equal to 5% of consolidated net income.

The amount recognized in the 2010 fiscal year broke down as follows:

- flat fee: €2,108 thousand
- variable fee: €988 thousand

2.3 Coordination, consulting, management and strategy services

Coordination, consulting, management and strategy services provided by Cegid Group to Cegid, Quadratus and Civitas.

Fees paid pursuant to these agreements totaled 0.7% of the sales (excluding VAT and re-invoiced expenses) of Cegid and its subsidiaries, Quadratus and Civitas.

The amounts of fees invoiced by Cegid Group for the 2010 fiscal year were:

- €1,541 thousand to Cegid
- €157 thousand to Quadratus
- €102 thousand to Civitas

2.4 Fee for the use of Cegid Group's brand identity and facilities

Fee for the use of Cegid Group's brand image and facilities by Cegid, Quadratus and Civitas.

Fees paid pursuant to these agreements totaled 1% of the sales (excluding VAT and re-invoiced expenses) of Cegid and its subsidiaries, Quadratus and Civitas.

The amount of fees invoiced by Cegid Group for the 2010 fiscal year was:

- €2,201 thousand to Cegid
- €224 thousand to Quadratus
- €146 thousand to Civitas

Lyon and Villeurbanne, April 18, 2011

The Statutory Auditors

GRANT THORNTON French member of Grant Thornton International François Pons	**MAZARS** Max Dumoulin

“Corporate Governance”

Report of the Chairman of the Board of Directors on the preparation and organization of the Board's work, on any limitations applying to the powers of the Chief Executive Officer and on the internal control procedures set up by Cegid

In accordance with the requirements of Article L.225-37 paragraph 6 of the French Commercial Code, the following report explains how the work of the Board of Directors is prepared and organized, how the senior management team operates, and describes the internal control and risk management procedures the Company and its subsidiaries have put in place. Cegid refers to the AFEP/MEDEF code of corporate governance and to the annual report preparation guide for small and mid-sized listed companies for the aspects of these documents that are applicable to it. The AFEP/MEDEF code can be found (in French) on the website of the MEDEF, the French business confederation: www.medef.fr.

Pursuant to paragraph 8 of Article L.225-37 of the French Commercial Code, this report specifies the AFEP/MEDEF recommendations that have not been adopted, if any, and the reasons therefor.

1. Preparation and organization of the activities of the Board

The Board of Directors of your company has ten members, including nine individuals and one legal entity. The Board of Directors is composed of the following members:

- Jean-Michel Aulas, Chairman of the Board of Directors,
- ICMI, represented by Patrick Bertrand, Director and CEO,
- Christian Collin, Director,
- Thierry Martel, Director
- Franklin Devaux, Director,
- Jean-Luc Lenart, Director,
- Jacques Matagrin, Director,
- Lucien Deveaux, Director,
- Michel Reybier, Director,
- Benoît de Rodellec du Porzic, Director.

Among these ten directors, five can be considered as independent, within the meaning of the AFEP/MEDEF reports, since they do not maintain relations of any sort with the company, the Group to which it belongs or its management, that could compromise the exercise of their freedom of judgment. Non-executive directors are deemed independent as they do not occupy management positions within the Company or the Group to which it belongs, and have no particular interests (significant shareholdings, salary, family ties or other interests, etc.). Currently, no women serve on the Board of Directors.

The five independent directors are: Franklin Devaux, Jean-Luc Lenart, Jacques Matagrin, Lucien Deveaux and Michel Reybier.

At its meeting on March 2, 2011, the Board agreed that for certain directors who qualified as independent, the fact that they had served on the Board for several years did not compromise their independence vis-à-vis the Board of Directors, but rather that it should be seen as a means of ensuring continuity and support in the development of the Group.

At its meeting of September 23, 2004, the Board of Directors approved a charter intended to set out the Board's rules of operation and to supplement the provisions of the bylaws, without altering them. This charter provides for the use of teleconferencing and videoconferencing under terms and conditions set forth by law. The Board of Directors meets four to ten times a year, according to events concerning the Company. It met eight times in 2010. The Statutory Auditors are invited to all meetings of the Board of Directors. Meetings are called by the Chairman of the Board via post and fax. The average time period for convening the Board is about 15 days, and a tentative annual schedule is established at the beginning of the year. Depending on the urgency of the matters to be examined by the Board of Directors, the average time period for convening the Board can be shortened from 15 to a few days. Meetings are held at the head office, and the majority of directors were present at those held in 2010, either physically, by teleconference or videoconference. The average attendance rate was around 78% in 2010.

Confidential documents are distributed to directors at Board meetings and, if necessary, prior thereto, so as to present the items upon which they will be asked to decide.

During fiscal year 2010, the Board of Directors focused on the following topics:

- examining and carrying out acquisitions,
- Cegid's strategy and positioning, in particular with regard to technology, on its various markets and target customer groups;
- First-half and full-year results for the fiscal year.
- introducing an incentive program for managers (Redeemable share warrants, or "BAAR" in the prospectus under AMF visa no. 10-302 dated September 3, 2010).

Strategy Committee

At its meeting of March 23, 2005, the Board of Directors appointed a standing Strategy Committee. This committee is currently composed of Jean-Michel Aulas, ICMI (represented by Patrick Bertrand), Franklin Devaux and Christian Collin. The purpose of the Strategy Committee is to plan the Group's general orientation and its business development strategy, especially pertaining to acquisitions. To this end, it studies the business development plan, monthly management reports and forecasts prepared by the Company's management. The Committee is also consulted on proposed large transactions.

Audit Committee

In its meeting of July 22, 2009, the Board of Directors created an Audit Committee to comply with European Directive 2006/43, transposed into French law by Act 2008-649 of July 3, 2008, which includes various provisions for adapting French company law to EU law, and by Decree 2008-1278 of December 8, 2008, regarding the requirement to implement an audit committee.

The Audit Committee oversees in particular:

- the process by which financial information is prepared;
- the effectiveness of internal control and risk management systems,
- the auditing of annual financial statements and, if applicable, of consolidated statements by the Statutory Auditors.

The Audit Committee is composed of the following members:

- Jean-Michel Aulas,
- Christian Collin,
- Franklin Devaux,
- Jacques Matagrin.

We reiterate that, in accordance with applicable regulations, all of the members of the Committee are also members of the Board of Directors.

Finally, it should be noted that the Company has no Appointments Committee for Board members and executive officers. In accordance with the law, the Company's bylaws and the Board's charter, the Board proposes candidates for the Board to shareholders, who alone have the right to appoint directors or renew their terms, via a vote at the Annual Shareholders' Meeting. The Board chooses candidates on the basis of their skills and knowledge of a business sector in which Cegid is active.

2. Compensation and benefits granted to executive officers

Pursuant to Article L.225-37 paragraph 9 of the French Commercial Code, we must inform you of the principles and rules used by the Board of Directors to determine all compensation and benefits granted to executive officers.

In this regard, director's fees represent the only form of compensation executive officers receive from Cegid Group, except for the compensation the CEO receives with regard to his appointment, as indicated below. The Board of Directors distributes these director's fees to its members according to their presence at meetings. There is an additional weighting for the two executives and for the members of the Strategy and Audit Committees.

As Board members receive no compensation outside of the above-mentioned director's fees, there is no compensation committee. Should a stock-option plan, a bonus share plan or more generally, incentives in favor of executives on the Board be proposed, the Strategy Committee would first examine the plan. The Board, acting on an authorization granted by shareholders in a Special Shareholders' Meeting, would then make its decision.

The CEO receives fixed compensation from Cegid, as determined by the Board of Directors. Most of his compensation, however, is paid by ICMI, of which he has been a salaried employee since 1999.

The detail of compensation paid to executive officers can be found in the Management Report, on page 59 of this Reference Document. On December 30, 2008, the Company published a press release indicating that the Board of Directors considered the AFEP/MEDEF recommendations to be an integral part of the Company's corporate governance. In accordance with the AFEP/MEDEF recommendations of October 6, 2008 and that of the Autorité des Marchés Financiers, issued on December 22, 2008, the tables on pages 123 and 124 of this Reference Document also include information concerning the compensation of executive officers, the Chairman and the CEO.

3. Powers of the CEO

At its meeting of December 20, 2002, the Board of Directors opted, pursuant to Article 16 II of the bylaws, harmonized with the New Economic Regulations Act of May 15, 2001, to dissociate the functions of Chairman of the Board and Chief Executive Officer.

Patrick Bertrand exercises the functions of Chief Executive Officer. The Board of Directors has limited the powers of the CEO. Generally speaking, decisions that fall outside the scope of day-to-day management, as listed below, are submitted to the Board of Directors for prior authorization:

- Constitution of guarantees, mortgages, pledging of assets except for bank guarantee requests to cover payment of rent for commercial premises as well as any request for guarantee of commercial contracts pertaining to day-to-day management;
- Sale of buildings;
- Total or partial sale of a business or businesses;
- Acquisitions and new equity investments.

On May 24, 2006, the Board of Directors decided to amend the powers of the CEO so as to allow him to carry out acquisitions of less than or equal to two million five hundred thousand euros (€2,500,000) each, without having to convene the Board of Directors beforehand, but after obtaining approval from the Board of Directors' Strategy Committee and after having solicited, in accordance with applicable law, the opinion of the Company's Central Works' Council.

4. Composition of share capital - participation in Annual Shareholders' Meetings

The composition of share capital as of December 31, 2010 is shown in the management report for the 2010 fiscal year, on page 58 of this Reference Document.

Conditions for attending and participating in Annual Shareholders' Meetings are indicated in Articles 20-28 of the bylaws.

5. Internal control and risk management

5.1 Internal control

5.1.1 Definition of internal control and the Company's goals

Cegid defines internal control as a set of procedures determined and used by management so as to achieve the following objectives:

- ensure that corporate operations, transactions and the day-to-day work of employees comply with the guidelines set down by the Board of Directors and are carried out by the various committees in accordance with regulations, principles, standards and methods applicable to the Company;
- map, foresee and control the identified risks resulting from the company's business, in particular in the areas of finance, accounting and organization,
- ensure reliability of operational and financial information,
- protect the Company's assets,
- optimize operational activities on the basis of established procedures and by assessing performance.

5.1.2 Organization of internal control

Cegid Group's internal control is articulated around a set of principles and rules that have already existed in the Group and that have since been strengthened by the Organization department in charge of tracking all operating processes.

Cegid's Executive Committee, Expanded Executive Committee, the CEOs and Delegated/Deputy CEOs of the operating subsidiaries are responsible for implementing the strategy approved by the Board of Directors of Cegid Group and its subsidiaries, for identifying any risks inherent to the activities carried out by the companies in the Group and for ensuring that internal control procedures are properly applied. The Executive Committee meets in general once a month. It can also meet at other times to make important decisions: acquisitions, alliances, financing, labor negotiations:

Similarly, the Cegid Management Committee, comprised of the principal operational managers at Cegid, also participates in the operational implementation of the Group's strategy and of high-priority action plans. The Management Committee met twice during the year and held a telephone conference on a monthly basis to present the business. The Strategy Committees in the operating areas serve to disseminate information and implement of all the operational issues pertaining to their fields of activity. They meet regularly under the responsibility of the respective member of the Executive Committee.

"Functional" committees under the responsibility of an Executive Committee member concentrate on the key drivers of the Group's activities. These committees, created in 2010, include Sales, Deployment, Support, Products & Services, R&D and other committees.

Internal control is based on a set of procedures administered by the Organization department together with the CFO's office and all operating departments and made available to the Company's governing bodies. These procedures, covering the Purchasing, Investment, Sales, Deployment, Support, Human Resources and Research & Development cycles, as well as contractual commitments, are available on the Company's intranet or directly brought to the attention of managers and staff members.

In parallel, departmental memos or internal messages, sent regularly to the various operational managers, allow additional information to be disseminated on the implementation of these procedures. The internal control procedures currently in effect at Cegid are also progressively applied to acquired companies, primarily as they pertain to procedures for expense and investment commitments, human resources, contractual commitments and signature authorization.

During fiscal year 2010, the internal control system was improved by optimizing the "Risks" and "Controls" procedures for each of Cegid's activities. In the fourth quarter, these controls were applied to international operations.

The internal control department also developed a Risk Management software program to make the internal control system easier to understand, manage and administer.

Lastly, the Group pursued its IT Systems Security Policy that will gradually be used to implement action plans leading to better management of the associated risks.

In 2011, efforts to improve internal control procedures and their implementation will focus on procedures to streamline operational processes by associating them with internal control objectives, and on continuing to develop the control plans that were initiated in 2010.

5.2 Organization of Group level internal control procedures

Internal control is performed by Senior Management, the members of the Company's governing bodies and in particular the Executive Committee, the strategy committees of the operating areas, as well as the Human Resources department - given the Company's business activities - and the Finance Department.

The Internal Control department, a sub-department of Management Control and Internal Control within the Finance department, continued its activities in 2010. During the year, the department helped strengthen the degree of control over operations and develop recommendations for improving it.

It is also responsible for managing the process of internal control and for carrying out audits scheduled by the Finance Department or unscheduled audits as requested by Senior Management, as was the case for Research & Development, the hosting platform and services in 2010.

Furthermore, the Statutory Auditors monitor the effectiveness and usefulness of the procedures from an external point of view within the framework of their audit assignment in accordance with professional standards.

5.2.1 Accounting and management system

The accounting and management system, under the responsibility of the CFO, the Accounting Manager and the Director of Internal and Management Control includes the following features:

- budgeting and monthly variance analysis procedures, both summary and allocated;
- daily business reporting to the Executive Committee and operational managers;
- monthly reporting, prepared with a management reporting software package and submitted for examination to the Executive Committee and the Executive Committees of the operating subsidiaries. These reports contain information regarding i) the business activities of the period under review in comparison with the budget (and for information, with previous years) and on the financial position of the Company and the Group, and ii) key performance and quality indicators pertaining to the Company's business activities;
- daily reports on aspects of financial management, such as cash flow and days' sales outstanding, and on organizational items;
- rules for signature authority and for the authority to undertake contractual commitments, expenditures and investments are applied in accordance with the separation of executive functions.

5.2.2 Human resources management control system

Given the nature of the Company's business, the management and control of human resources, under the responsibility of the Human Resources Manager, is of key importance. It focuses in particular on:

- recruitment of employees, validated by the Human Resources Department, the manager to whom the new employee will report and in some cases, Senior Management;
- compensation management, and in particular the variable portion, which is validated monthly by the various departmental managers with regard to the extent to which the goals set for each employee have been reached;
- skills management;
- integration and training;
- regulations concerning health, safety and working conditions, for which the persons in charge of each location are responsible. These individuals have specific powers delegated to them;
- training in and enforcement of building safety and security procedures;
- relationships with personnel representatives and application of the legislative and management rules appropriate thereto.

5.2.3 Internal control at the operational level

In general, procedures have been developed in the various business activities to ensure that identified risks related thereto are monitored and that business tracking measures are developed and formalized, pertaining in particular to:

- Decision-making and monitoring of research and development expenditure, initiated by the product manager and under the responsibility of the relevant division manager and of the Technical Manager;
- Product releases, in accordance with the procedures developed by the Technical Department and monitored by special purpose committees;

- safeguard procedures, in coordination with the departments involved and in particular regarding research and development assets that are the basis for trademark and source product registrations with the appropriate authorities.
- IT risks, in particular procedures for security, backup and monitoring of IT applications in use, internet access, hardware and hosting platforms, and more generally, procedures for remote premises dedicated to IT resources.
- customer services activities, using business tracking indicators (training and deployment, customer support hotline, maintenance, etc.).

5.2.4 Preparation of financial and accounting information

Accounting is based on an integrated IT system that facilitates the preparation of accounting and financial information and helps ensure that this information is exhaustive and that transactions are correctly valued (monitoring of accounts receivable, cash, travel expenses, etc.). The system operates in accordance with accounting principles and methods in effect and applied by the Company both for its parent company financial statements and its consolidated financial statements. These statements are prepared using the same software as is used for the monthly reporting mentioned above.

Within the Finance division, the Accounting department produces and verifies financial and accounting information. This information is checked by the Statutory Auditors who carry out verifications in accordance with the standards in effect. As Cegid Group is listed on Euronext Paris (Compartment B), accounting and financial information is disseminated regularly in several media formats (press releases, the Company's website, the Euronext site, legal publications, financial analyst meetings).

Chairman of the Board of Directors

Jean-Michel Aulas

REPORT OF THE STATUTORY AUDITORS, PURSUANT TO ARTICLE L.225-235 OF THE FRENCH COMMERCIAL CODE, ON THE REPORT OF THE BOARD OF DIRECTORS OF CEGID GROUP SA

To the shareholders,

In our capacity as Statutory Auditors of Cegid Group SA and in accordance with the terms of the Article L.225-235 of the French Commercial Code, we present to you our report on the report of the Chairman of the Board of Directors of your Company pursuant to Article L.225-37 of the French Commercial Code pertaining to the period ended December 31, 2010.

It is the Chairman's responsibility to prepare a report on the Company's internal control and risk management procedures and containing the other information required under Article L.225-37 related in particular to corporate governance, and to submit this report to the Board of Directors.

It is our responsibility to:

- inform you of our observations on the information set out in the Chairman's report on the internal control and risk management procedures relating to the preparation and processing of financial and accounting information, and
- certify that the report includes the other information required under Article L.225-37 of the French Commercial Code, with the proviso that it is not our responsibility to verify the fairness of this information.

We conducted our work in accordance with French professional standards.

Information on internal control and risk management relative to the preparation and processing of accounting and financial information

The standards of the profession require that we perform procedures designed to evaluate the fairness of the information contained in the Chairman's report on internal control and risk management procedures pertaining to the preparation and processing of accounting and financial information.

These procedures consist in particular in:

- examining the internal control and risk management procedures related to the preparation and processing of the financial and accounting information underlying the information presented in the Chairman's report, as well as existing documentation;
- examining the work leading up to the preparation of this information and the existing documentation;
- determining whether there is appropriate disclosure in the Chairman's report of any important deficiencies in internal control related to the preparation and processing of financial and accounting information that we may have discovered in the course of our assignment;

On the basis of our work, we have no observations to make regarding the Company's internal control and risk management procedures related to the preparation and processing of financial and accounting information, as presented in the report of the Chairman of the Board, prepared in accordance with Article L.225-37 of the French Commercial Code.

Other information

We certify that the report of the Chairman of the Board of Directors includes the other information required under Article L.225-37 of the French Commercial Code.

Lyon and Villeurbanne, April 18, 2011

The Statutory Auditors

GRANT THORNTON
French member of Grant Thornton International
François Pons

MAZARS
Max Dumoulin

Directors and officers

At March 31, 2011, Cegid Group's Board of Directors was composed of ten directors:

- Jean-Michel Aulas, Chairman,
- ICMI, represented by Patrick Bertrand, CEO,
- Christian Collin,
- Thierry Martel,
- Franklin Devaux,
- Lucien Deveaux,
- Jean-Luc Lenart
- Jacques Matagrin,
- Michel Reybier,
- Benoît de Rodellec du Porzic.

Of these ten directors, five can be considered independent, as defined by the AFEP and MEDEF reports, because they do not exercise any management functions in the Company or the group to which it belongs and they do not maintain any significant relationship with the Company, its group or its management that could compromise their intellectual independence, nor do they hold a significant ownership interest in the share capital. At its meeting on March 2, 2011, the Board agreed that for certain directors who qualified as independent, the fact that they had served on the Board for several years did not compromise their independence vis-à-vis the Board of Directors, but rather that it should be seen as a means of ensuring continuity and support in the development of the Group.

The five independent directors are: Franklin Devaux, Jean-Luc Lenart, Jacques Matagrin, Lucien Deveaux and Michel Reybier.

There were no directors elected by employees.

There was no non-voting director.

At its meeting of September 23, 2004, the Board of Directors approved a charter intended to set out the Board's rules of operation and to supplement the provisions of the bylaws, without altering them. The charter was amended at the Board meetings of March 23, 2005, May 24, 2006, March 20, 2007 and February 28, 2008.

Number of Board Meetings: 8 in 2010. Meetings were held at the head office, and the majority of directors were present. In this regard, the attendance rate for Board members was approximately 78%.

At its meeting of March 23, 2005, the Board of Directors appointed a standing Strategy Committee. The purpose of this committee is to plan the Group's general orientation, its business development strategy and its implementation by the Board of Directors. As of March 31, 2011, the committee was composed of Jean-Michel Aulas, ICMI (represented by Patrick Bertrand), Franklin Devaux and Christian Collin. The Strategy Committee studies the business development plan, management reports and forecasts prepared by the Company's management. The Committee is also consulted on proposed large transactions.

The Strategy Committee met six times in 2010, with a majority of Committee members in attendance.

In its meeting of July 22, 2009, the Board of Directors created an Audit Committee, in compliance with European Directive 2006/43, transposed into French law by Act 2008-649 of July 3, 2008, which includes various provisions for adapting French company law to EU law, and by Decree 2008-1278 of December 8, 2008, regarding the requirement to implement an audit committee.

The Audit Committee oversees in particular:

- the process by which financial information is prepared;
- the effectiveness of internal control and risk management systems;
- the auditing of annual financial statements and, if applicable, of consolidated statements by the Statutory Auditors.

Christian Collin was named Chairman of the Audit Committee at the Committee's February 23, 2010 meeting.

As of March 31, 2011, the Audit Committee was composed of the following members:

- Jean-Michel Aulas,
- Christian Collin,
- Franklin Devaux,
- Jacques Matagrin.

To the best of the Company's knowledge:

- There is no family relationship between the members of the Board of Directors and either the Chairman or the CEO of the Company.
- No member of the Board of Directors nor the Chairman or CEO has been convicted of fraud over the last five years and no member of the Board of Directors nor the Chairman or CEO has been incriminated or been subject to an official public sanction by legal or regulatory authorities (including by professional bodies over the last five years), with the following exceptions: Lucien Deveaux was fined €125,000 by the AMF's sanctions commission on October 4, 2005, and Benoît de Rodellec du Porzic was given a suspended sentence of six months in prison and was fined €5,000 in connection with public contracts in 1995-1997.
- No member of the Board of Directors nor the Chairman or CEO has been involved as a director, officer or member of a governing, management or supervisory body with a bankruptcy, receivership or liquidation during the last five years.
- No member of the Board of Directors nor the Chairman or CEO has been prevented by a court of law from acting as a member of a governing or supervisory body of an issuer or from taking part in the management or business dealings of an issuer during the last five years.

EXECUTIVE COMMITTEE

The Group Executive Committee includes the senior managers of the Company's functional and operational divisions.

As of March 31, 2011, it was composed of the following members:

- Patrick Bertrand, Chief Executive Officer
- Nathalie Echinard, Executive Director,
- Jean-François Marcel, Executive Director
- Valéry Tarondeau, Executive Director
- Antoine Wattinne, Executive Director,
- Jean-Louis Decosse, Technical Director
- Pierre Dianteill, Director, Marketing and International Director
- Pascal Guillemin, Human Resources Director
- Christian Loyrion, Director of Operations
- Thierry Luthi, Chief Financial Officer
- Sylvain Moussé, Director of Organization and IT systems

This Group Executive Committee is responsible for implementing the strategy decided by the Board of Directors. It meets at least ten times a year, and on the occasion of important decisions such as acquisitions, financing decisions and employee-related negotiations. In addition, a "Top Management" committee, which includes the principal managers of the Group (approximately 80 people) meets at least once a year.

Executives' percentage ownership of the Company's share capital

To the company's knowledge, as of March 31, 2011, members of the Board of Directors held 1,002,743 shares or 10.86% of the capital, representing 15.01% of the voting rights.

Conflicts of interest between members of the governing bodies

To the best of the Company's knowledge, there are no conflicts of interest between members of the Company's governing bodies.

Compensation and benefits-in-kind allocated during the most recent fiscal year

a) Director compensation

In their Ordinary Shareholders' Meeting, shareholders voted to allocate a total of €100,000 as director's fees to be paid to members of the Board of Directors for the 2010 fiscal year.

The Board of Directors attributes director's fees to its members on the basis of their actual presence at meetings, with an additional weighting for the Chairman and the CEO and the members of the Strategy Committee and Audit Committee.

In 2010, the gross amounts paid in respect of fiscal year 2009 were as follows:

- Jean-Michel Aulas €15,000
- Patrick Bertrand €15,000
- Christian Collin [(1)] €11,500
- Benoît Maes [(2)] €7,100
- Franklin Devaux €9,100
- Apax Partners €11,500
- Jacques Matagrin €9,500
- Lucien Deveaux €2,300
- Jean-Luc Lenart €9,500
- Benoît de Rodellec du Porzic €9,500

(1) The director's fees were paid to Groupama.
(2) The director's fees were paid to GAN.

Michel Reybier, a director, requested not to receive director's fees.

b) Compensation paid to executive officers

On December 30, 2008, the Company published a press release indicating that the Board of Directors considered the AFEP/MEDEF recommendations to be an integral part of the Company's corporate governance. As indicated on page 59 of this Reference Document, Jean-Michel Aulas and Patrick Bertrand have been paid by ICMI since 1999. As such, they receive most of their compensation from ICMI, a holding company that acts as lead shareholder. Its two principal investments are Olympique Lyonnais Groupe and Cegid Group, which represent combined proforma sales of €405 million and a combined workforce of 2,354. As ICMI plays the role of Cegid's lead shareholder, Messrs. Aulas and Bertrand hold positions in the various companies in the Group.

Table 1: summary of compensation, options and shares attributed to the Chairman and the CEO

(in €000)	2010	2009
Jean-Michel Aulas, Chairman		
Compensation in respect of the fiscal year (detailed in table 2)	1,231	1,179
Valuation of options granted during the year	NA	NA
Value of bonus shares as of the date of grant	NA	NA
TOTAL	**1,231**	**1,179**
Patrick Bertrand, Chief Executive Officer		
Compensation in respect of the fiscal year (detailed in table 2)	627	605
Valuation of options granted during the year	NA	NA
Value of bonus shares as of the date of grant	NA	NA
TOTAL	**627**	**605**

NA: Not Applicable.

Table 2: summary of the Chairman's and CEO's compensation

(in €000)	2010		2009	
	Amounts due [(1)]	Amounts paid [(1)]	Amounts due [(1)]	Amounts paid [(1)]
Jean-Michel Aulas, Chairman				
- Fixed compensation	718	711	649	649
Of which director's fees	21	19	19	19
-Variable compensation [(2)]	482	227	501	277
- Collective performance bonus and employee savings plan	17	17	17	17
- Benefits-in-kind	13	13	12	12
- Post-employment benefits: "Article 83" supplementary pension plan	NA	NA	NA	NA
TOTAL	**1,231**	**968**	**1,179**	**955**
Patrick Bertrand, Chief Executive Officer				
- Fixed compensation	416	408	353	353
Of which director's fees	21	21	21	21
- Variable compensation [(2)]	183	188	223	203
- Collective performance bonus and employee savings plan	18	19	19	19
- Benefits-in-kind	3	3	4	4
- Post-employment benefits: "Article 83" supplementary pension plan	6	6	6	6
TOTAL	**627**	**624**	**605**	**585**

(1) Corresponds to annual gross compensation before tax.
(2) Variable compensation is based principally on the consolidated earnings of Olympique Lyonnais Groupe and Cegid Group.

Table 3: director's fees paid to other executive officers of Cegid Group

(in €000)	Amounts paid in 2011 for 2010 (Gross amounts)	Amounts paid in 2010 for 2009 (Gross amounts)
Franklin Devaux	10	9
Apax Partners	4	12
Jacques Matagrin	12	10
Lucien Deveaux	7	2
Jean-Luc Lenart	11	10
Christian Collin (paid to Groupama)	16	12
Benoît Maes (paid to GAN Assurances Vie)	-	7
Thierry Martel (paid to GAN Assurances Vie)	1	-
Benoît de Rodellec du Porzic	9	8
TOTAL	**70**	**70**

Michel Reybier, a director, requested not to receive director's fee.

Director's fees paid to the Chairman and the CEO:

(in €000)	Amounts paid in 2011 for 2010 [(1)]	Amounts paid in 2010 for 2009 [(1)]
Jean-Michel Aulas, Chairman	21	19
Patrick Bertrand, Chief Executive Officer	23	21
TOTAL	**44**	**40**

(1) Director's fees paid by Cegid and all of its subsidiaries.

Table 4: commitments and benefits granted to the Chairman and the CEO

The Chairman and the CEO	Employment contract	Supplementary pension plan	Amounts or benefits due or that might be due in the event of termination or change in function	Compensation for non-competition clause
Jean-Michel Aulas Chairman of the Board of Directors Date term began 1st appointment on 06/20/1983 Date term expires: AGM approving 2015 fin. stmts.	Non	Non	Non	Non
Patrick Bertrand [(1)] Chief Executive Officer Date term began - 1st appointment as perm. rep. of ICMI: Board meeting of 11/14/1997 - Appointment as CEO: Board meeting of 12/20/2002 Date term expires: AGM approving the 2015 fin. stmts.	Non	Non	Non	Non

(1) Patrick Bertrand is an employee of and has an employment contract with ICMI. The details of his compensation, including his supplementary pension plan, can be found in table 2 above.

Patrick Bertrand is an employee of ICMI. Jean-Michel Aulas and Patrick Bertrand are not entitled to any benefits or compensation from ICMI should they cease or change functions, nor are they entitled to compensation relating to a non-compete clause.

The other tables mentioned in the AMF recommendation published on line on December 22, 2008 do not apply and have not been completed.

c) Compensation paid to the Chairman and the CEO during the fiscal year 2010

Gross compensation paid by Cegid Group and its subsidiaries during fiscal year 2010 to salaried members of the Group Executive Committee totaled €2,034 thousand. Jean-Michel Aulas and Patrick Bertrand receive the main share of their compensation from ICMI, Cegid's lead shareholder (see page 59).

Agreements with the Chairman, the CEO or directors - benefits and loans

Agreements pursuant to Articles L.225-38 et seq. of the French Commercial Code are reported on pages 112 and 113 of this document.

Since the closing of fiscal year 2010, no new agreements, benefits or loans have been granted to the Chairman, the CEO or to directors.

Employee profit-sharing and bonus plans

Subsequent to the partial asset contribution between Cegid Group and Cegid, Cegid Group has had no employees since November 30, 2006. Most of the companies in the Group have a collective performance bonus plan, an employee savings plan and a statutory employee profit-sharing agreement. Matching contributions to employee savings plans totaled €0.6 million.

For fiscal year 2010, the total amount of profit-sharing paid was €0.8 million and the amount of collective performance bonuses was €1.1 million.

INFORMATION ON DIRECTORS

Name of company or executive officer Professional address	Date of first appointment	Date term expires	Principal function in the company	Principal function outside the company	Other positions held in all companies in 2010	Positions held over the previous four fiscal years
Jean-Michel Aulas Cegid Group 52 quai Paul Sédallian – 69009 LYON	June 20, 1983	Share-holders' Meeting approving the 2015 financial statements	Chairman	Chairman and CEO, Olympique Lyonnais Groupe	Chairman ICMI, Member of Cegid Group Audit Committee, Chairman CEO Cegid, Chairman Quadratus, Director Civitas, Chairman Cegid Services, Chairman CEO Olympique Lyonnais Groupe, Chairman CEO SASP Olympique Lyonnais, Director OL Voyages, Director Association Olympique Lyonnais, Director l'Ambassade Limited.	Chairman Cegid Group, Chairman ICMI, Chairman CEO Cegid, Chairman HCS, Chairman Cegid Services, Director Quadratus, Director Servant Soft, Director l'Ambassade Limited, Chairman CEO Olympique Lyonnais Groupe, Chairman Olympique Lyonnais Groupe Stadium Investment Committee, Chairman CEO SASP Olympique Lyonnais, Director OL Voyages, Director Association Olympique Lyonnais.
ICMI represented by Patrick Bertrand ICMI 52 quai Paul Sédallian – CS 30612 69258 LYON CEDEX 09	September 14, 1983	Share-holders' Meeting approving the 2015 financial statements	Director	Deputy CEO ICMI	**Patrick Bertrand:** CEO Cegid Group, Delegated CEO Cegid, CEO Quadratus, Chairman Civitas, Director Expert & Finance, Perm. rep. ICMI on Olympique Lyonnais Groupe Stadium Investment Committee, Perm. rep. ICMI on Olympique Lyonnais Groupe Audit Committee, Director and Vice Chairman Figesco, Member of Supervisory Board, Alta Profits, Chairman l'Ambassade Limited.	GM Cegid Group, Delegated CEO Cegid, Chairman & CEO Quadratus, Director Servant Soft, Director Expert & Finance, Director & Vice Chairman Figesco, Member of Supervisory Board Alta Profits, Director Civitas, Chairman FCRS, Chairman ASPX, Director Comptanoo, Director GTI Industrie, Director PmiSoft, Perm. rep. Figesco on Alta Profits Supervisory Board, Perm. rep. ICMI, Alternate Director l'Ambassade Limited, Perm. rep. ICMI on Olympique Lyonnais Board, Member of Olympique Lyonnais Groupe Audit Committee.
Thierry Martel Groupama 8-10 rue d'Astorg 75008 PARIS	May 6, 2010	Share-holders' Meeting approving the 2013 financial statements	Director		Chairman Amaline Assurances, GM GAN Patrimoine, Perm. rep. on Board of Groupama Banque, Director Banque Postale Assurances IARD, Chairman of a health services management company.	Chairman SAS Amalyne, CEO GAN Prevoyance, Director Rampart, Insurance Company, CEO Groupama Vie.
Christian Collin Groupama 8-10 rue d'Astorg 75008 PARIS	February 1, 2008	Share-holders' Meeting approving the 2013 financial statements	Chairman & Member of Audit Committee		CEO Groupama Finance and Risks, Perm. rep. of Groupama SA on Silic's Board, Vice Chairman and Director Groupama Banque, Chairman Groupama Asset Management, Chairman Groupama Immobilier, Chairman Compagnie Foncière Parisienne, Chairman Groupama Private Equity, Director Banque Postale Assurances IARD, Member of Supervisory Board and perm. rep. of Groupama Investissements on Board of Gimar Finance & Compagnie, Director Star (Tunisia).	Director Cegid Group, Perm. rep. Groupama Investissements on Board of Assuvie, Director Capsauto, Director Caisse Centrale de Réassurance, Director Synaps, CEO Confintex 17.
Franklin Devaux	June 9, 1987	Share-holders' Meeting approving the 2015 financial statements	Director		Director Fondation Nicolas Hulot, Director Aéro Club de France, Director Citizengate, Director Falconsecurigate, Member Cegid Group Audit Committee.	Director Cegid Group, Director Fondation Nicolas Hulot, Director Aéro Club de France, Director Citizengate, Director Falconsecurigate, Chairman Ascendance SAS, Director Proteus Hélicoptères.
Lucien Deveaux	November 4, 1997	Share-holders' Meeting approving the 2014 financial statements	Director		CEO FRD Holding SAS, CEO RFD Participations SAS, CEO Grange Tambour Participations SAS, Member of Supervisory Board Deveaux SA, Chairman of Supervisory Board Armand Thiery, Chairman of Supervisory Board Ecce SA, Chairman Devlocation, Director Lyonnaise de Banque.	Director Cegid Group, CEO FRD Holding SAS, CEO RFD Participations SAS, CEO Grange Tambour Participations SAS, Supervisory Board member Deveaux SA, Chairman Supervisory Board Armand Thiery, Chairman Supervisory Board Ecce SA, Chairman Devlocation, Director Lyonnaise de Banque, Member of Exec. Comm. Chairman SCI du Foie, Chairman SCI Philip I, Chairman SCI Philip II, Chairman Tissage de Montagny.
Jean-Luc Lenart	November 16, 2004	Share-holders' Meeting approving the 2015 financial statements	Director	Chairman ACLAM	Member of Supervisory Board Imagination SAS, Chairman of Supervisory Board Kayentis SAS, Member of Supervisory Board Rhapso SA, Member of Supervisory Board of Lowendalmasai SA and Lowendalmasai Développement (subsidiary and parent), Director Compario SA, Chairman ACLAM E.U.R.L, Chairman Les Sources SC, Chairman AMC Lourcine SC.	Director Cegid Group, Director and Member of Supervisory Board Imagination SA, Chairman Aclam SARL, Chairman Les Sources SC, Director and Member of Supervisory Board Rhapso SA, Chairman Supervisory Board Kayentis SA, Member Supervisory Board Clearvision.
Jacques Matagrin Le Tout LYON 41 rue de la Bourse 69002 LYON	June 12, 2002	Share-holders' Meeting approving the 2013 financial statements	Director	Chairman, Noirclerc Fenêtrier Informatique	Member of Cegid Group Audit Committee, Chairman Tout Lon, Director Olympique Lyonnais Groupe, Member of Olympique Lyonnais Groupe Stadium Investment Committee, Chairman Association Olympique Lyonnais, Director OL Voyages, Chairman Noirclerc Fenêtrier Informatique, Chairman SCI Duvalent, Director Bemore (Switzerland).	Director Cegid Group, Chairman Tout Lyon, Director Eurazis, Chairman Association Olympique Lyonnais, Member of Olympique Lyonnais Groupe Stadium Investment Committee, Director OL VOYAGES, Chairman SAS OL Restauration, Chairman Noirclerc Fenêtrier Informatique, Chairman JM Investissement, Chairman SCI Duvalent, Director Bemore (Switzerland).
Michel Reybier	May 21, 1997	Share-holders' Meeting approving the 2014 financial statements	Director		Chairman Domaines Reybier, Chairman MJ France, Director EIG Hélipart, Director Pebercan.	Director Cegid Group, Chairman Domaines Reybier, Chairman MJ France, Director EIG Hélipart, Director Pebercan.
Benoît de Rodellec du Porzic RPA Conseil Immeuble Grand Axe 10-12 boulevard de l'Oise - 95031 CERGY PONTOISE	November 26, 2008	Share-holders' Meeting approving the 2015 financial statements	Director		Chairman RPA Conseil, Chairman CIT COM, Director Civitas.	Director Cegid Group, Chairman Civitas, Chairman RPA Conseil, Chairman CIT&COM.

"Shareholders' Meeting, May 19, 2011"

We have called this Shareholders' Meeting to address the following items of business:

1. Items submitted to shareholders in their Ordinary Meeting

Authorization for the Board of Directors to acquire shares pursuant to Articles L.225-209 to L.225-212 of the French Commercial Code (resolution six of the Ordinary Shareholders' Meeting)

You will be asked to authorize the Board of Directors, pursuant to Articles L.225-209 et seq. of the French Commercial Code, European regulation no. 2273/2003 of December 22, 2003 and in accordance with market practices recognized by the Autorité des Marchés Financiers (AMF), with the option of sub-delegation as permitted by law, to buy or sell shares of the Company over an 18-month period beginning on the date of your Shareholders' Meeting as part of a share buyback plan and up to 10% of the share capital, it being stipulated that this ceiling shall be measured according to the terms of the second paragraph of Article L.225-209 of the French Commercial Code.

This authorization would allow the Company to pursue the following objectives, subject to applicable law and regulations:

- Make a market and ensure regular price quotations through a liquidity contract that complies with the AMAFI Code of Conduct;
- Purchase shares with an intent to hold them and offer them at a later date in exchange or in payment for acquisitions, in accordance with market practices permitted by the AMF and within the limits set out by law;
- Allocate shares under the terms and conditions provided by law, in particular in the framework of employee profit-sharing, to the exercise of purchase-type stock options, to an employee savings plan, or as bonus shares granted to employees and executive officers pursuant to Articles L.225-197-1 et seq. of the French Commercial Code;
- Remit shares of the Company upon the exercise of rights attached to securities giving access in any way to the shares of the Company, in accordance with applicable regulations;
- Reduce share capital by canceling some or all of the shares, provided resolution one of the May 19, 2011 Special Shareholders' Meeting is approved;
- Implement any market practices allowed in the future by the AMF and more generally, carry out any transactions that conform with applicable regulations.

The maximum purchase price may not exceed €60 per share (excl. acquisition costs) subject to adjustments related to any corporate actions and/or the par value of the share. The maximum amount of funds allocated to this share buyback plan would be €30,238,500 (excluding brokerage costs) taking into account the 419,331 shares held in treasury as of March 31, 2011.

The maximum number of shares that could be acquired, assuming none are resold, is therefore 503,975 shares.

The acquisition, transfer or exchange of shares could be carried out and paid by any means, and in any manner, on the market or over the counter, including through the use of derivative instruments, in particular via optional transactions, provided these optional transactions do not significantly increase the volatility of the share price, and in accordance with applicable regulations.

These transactions may be carried out at any time including while takeover bids are in effect on shares or securities issued by the Company or during a takeover bid initiated by the Company, subject however to the abstention periods provided for by law and the General Regulation of the AMF.

You will be asked to grant the broadest powers to the Board of Directors with the option of sub-delegation under the conditions provided for by law, to sign all deeds, conclude all agreements, make any declarations, complete all formalities and in general do all that is necessary in this regard as well as to adjust the unit price and maximum number of shares to be acquired in proportion to any change in the number of shares or their par value resulting from corporate actions undertaken by the Company.

In accordance with applicable law, shareholders would be informed in the next Management Report of purchases and sales carried out under the program, the number of shares held in treasury at the end of the year, the number of shares used for each purpose and the number of shares, if any, used for purposes other than those initially planned.

This authorization would cancel and replace the authorization granted in resolution six of the Ordinary Shareholders' Meeting of May 6, 2010.

2. Items submitted to shareholders in their Special Meeting

Authorization for the Board of Directors to reduce the share capital by the cancellation of shares held in treasury (resolution one)

We request that you authorize the Board of Directors for a period of eighteen months, subject to adoption of resolution six of the Ordinary Shareholder's Meeting, to cancel, at its sole discretion, in one or more transactions, within the limit of 10% of the share capital in any twenty-four month period, the shares acquired under resolution six of the Shareholders' Meeting called for May 19, 2011 or any similar resolutions adopted at previous shareholders' meetings and to reduce the share capital in due proportion by the cancellation of shares.

This authorization would cancel and replace the authorization granted in resolution one of the Special Shareholders' Meeting of May 6, 2010.

Authorization for the Board of Directors to issue share warrants to be allocated free of charge to shareholders of the Company (resolution two)

You will be asked to delegate the necessary powers to the Board of Directors, with the option of sub-delegation, to issue share warrants to be allocated free of charge to shareholders of the Company, in accordance with laws and regulations pertaining to commercial companies and in particular Articles L.225-129 to L.225-129-6, L.233-32 and L.233-33 of the French Commercial Code. These warrants could be issued only during a takeover bid on the Company's securities, and only those shareholders who are shareholders of the Company before the expiration of the takeover bid would be able to benefit from this free allocation of share warrants. The maximum par value of the capital increase that could be carried out in the future under this authorization could not exceed €15 million, with this ceiling being independent of the ceilings provided for in resolutions two and four of the May 6, 2010 Shareholders' Meeting.

In addition, the number of warrants that could be issued under this resolution could not exceed the number of shares comprising the Company's capital on the day of the decision to issue warrants.

This authorization would be granted for a period of eighteen months starting from its adoption at the Special Shareholders' Meeting. It would cancel and replace the authorization granted under the eighth resolution of the May 6, 2010 Special Shareholders' Meeting.

Authorization for the Board of Directors to use its powers to increase or reduce share capital when the shares of the Company are subject to a public takeover offer (resolution three)

You will be asked to decide, pursuant to Articles L.233-32 and L.233-33 of the French Commercial Code, that all of the Board's authorizations to increase the capital of the Company through the issuance of shares and other securities, as well as the authorizations it has from previous shareholders' meetings or under this Special Shareholders' Meeting to reduce the capital of the Company, can be used even while a takeover bid or tender offer is in effect on the securities of the Company, provided that the legal and regulatory conditions allowing them to be used are met. This authorization would cancel and replace the authorization granted to the Board of Directors in resolution nine of the Special Shareholders' Meeting of May 6, 2010.

Authorization to grant subscription-type and/or purchase-type stock options for the benefit of employees and/or executive officers of the companies in the Group (resolution five)

In accordance with the Group's policies to motivate and retain employees whom the Board of Directors and Senior Management feel play an important role in the Group, we propose in resolution five that you authorize the Board of Directors, pursuant to Articles L.225-177 et seq. of the French Commercial Code for a period of thirty-eight months, to grant, on one or more occasions, subscription-type or purchase-type options on Cegid Group shares to some or all salaried employees and executive officers of the Company or of economic interest groups related to it pursuant to Article L.225-180 of the French Commercial Code and within the limits of laws and regulations in force. The Board of Directors would decide which type of options to grant, the grant dates, the terms and conditions for the granting of the options and the exercise price.

The total number of options thus granted but not yet exercised could not confer the right to subscribe to a number of shares in excess of legal limits. The par value of capital increases resulting from the exercise of subscription-type stock options granted pursuant to this authorization would be allocated from the overall limit stipulated in resolution four of the May 6, 2010 Shareholders' Meeting. The subscription-type or purchase-type stock options could be granted during periods prohibited by law.

If shareholders approve this resolution, they will waive their preferential right to subscribe to the shares issued as subscription-type stock options are exercised, in favor of the beneficiaries of such options.

The subscription or purchase price of the shares would be set by the Board of Directors on the day the options are granted, pursuant to the limits and procedures stipulated by law. It would not be possible to change the subscription or purchase price during the lifetime of the option. Nevertheless, in the event of amortization or reduction of capital, of a change in the allocation of earnings, of the allocation of bonus shares, of the capitalization of reserves, retained earnings or share premiums into share capital, of the distribution of reserves or of any issue of share capital or of securities granting entitlement to securities giving access to the capital and including a subscription right reserved for shareholders, the Board of Directors would have to take the measures necessary to protect the interests of the beneficiaries of the options pursuant to the terms of Article L.228-99 of the French Commercial Code.

Finally, the Board would be able to determine the terms for adjusting the price and number of shares to be purchased or subscribed to, in the situations stipulated by law, the lifetime of the options, provided that such lifetime does not exceed ten (10) years, as well as the option exercise periods.

This authorization would cancel and replace the authorization granted to the Board of Directors in resolution ten of the May 7, 2008 Special Shareholders' Meeting.

Authorization for the Board of Directors to grant bonus shares, either existing or newly-issued (resolution six)

In accordance with the Group's policies to motivate and retain employees whom the Board of Directors and Senior Management feel play an important role in the Group, we propose in resolution six that you authorize the Board of Directors, pursuant to Articles L.225-197-1 et seq. of the French Commercial Code, to grant either new or existing bonus shares to some or all employees of the Company and related companies, as defined in Article L.225-197-2 of the French Commercial Code, as well as to executive officers, on one or more occasions.

You will also be asked to approve the following proposals:

- That the Board of Directors be allowed to determine the beneficiaries of bonus share allocations as well as the terms and grant criteria, if applicable.
- That the total number of bonus shares granted pursuant to this resolution not be greater than 10% of the number of shares comprising the share capital as of the day of grant by the Board of Directors.
- That the shares granted to beneficiaries would become vested at the end of a period of at least two years, with beneficiaries also obligated to hold the shares for a minimum period of two years;
- That the Board of Directors be authorized, pursuant to Article L.225-129-2 of the French Commercial Code, to carry out one or more capital increases by capitalization of reserves, retained earnings or share premiums, so as to allocate these new bonus shares under this resolution.

The Board of Directors could adjust the number of shares during the vesting period, if necessary, as a result of any transactions on the Company's capital, so as to preserve the rights of the beneficiaries.

Shareholders would recognize that they would hereby waive their rights to the part of the reserves, retained earnings or share premiums that would be used in the event new shares, if any, were issued.

This authorization would be granted for thirty-eight (38) months. It would cancel and replace the authorization granted to the Board of Directors in resolution eleven of the May 7, 2008 Special Shareholders' Meeting.

Authorization for the Board of Directors to use the shares acquired under the share buyback program (resolution seven)

You will be asked to authorize your Board of Directors, subject to approval of resolution six of the Ordinary Shareholders' Meeting called for May 19, 2011, to use the shares acquired under the share buyback program in the following ways:

- pursuant to (i) the authorizations granted under resolutions two, four, five, six, seven, ten and eleven of the May 6, 2010 Special Shareholders' Meeting and (ii) the authorizations granted under resolution two of the Special Shareholders' Meeting called for May 19, 2011, provided it is approved, to allocate them as a result of the issuance of marketable securities giving access to the capital of the Company.
- pursuant to resolutions five and six of the Special Shareholders' Meeting called for May 19, 2011, provided they are approved, so as to allocate them as a result of the granting of purchase-type stock options or bonus shares.

Complementary report in the event the authorizations are used

Should the Board of Directors use the authorizations granted by shareholders, it shall prepare a complementary report when it makes its decision, in accordance with laws and regulations. This report would be made immediately available to shareholders and then brought to their attention at the following Shareholders' Meeting.

Authorization to the Board of Directors to increase share capital by issuing shares reserved for members of an employee savings plan within the provisions of Article L.3332-18 et seq. of the French Labor Code (resolution four)

Pursuant to Articles L.225-129-6 and L.225-138-1 of the French Commercial Code and owing to the other authorizations you are being asked to approve to enable the Board of Directors to increase share capital, we are submitting a resolution to you concerning the issuance of shares reserved for employees of the Company and of French or foreign companies or groups of companies, as defined in Article L.233-16 of the French Commercial Code, who are enrolled in an employee savings plan pursuant to Article L.3332-18 of the French Labor Code. This resolution would allow share capital to be increased by up to 3% for a period of twenty-six (26) months in one or more transactions, and on the sole deliberations of the Board of Directors. This resolution would not allow the issue of preferred shares, with or without voting rights.

The subscription price could not be greater than the average quoted price over the 20 trading days preceding the day on which the Board of Directors sets the opening date for subscriptions, nor more than 20% less than this average or 30% less than this average when the minimum holding period specified in the plan, in accordance with Article L.3332-18, is greater than or equal to 10 years. The shareholders would grant full powers to the Board of Directors to implement this authorization. However, since such a transaction is incompatible with the Company's current best interests, the Board of Directors does not recommend this resolution be passed and suggests that you reject it.

Powers

We ask that you grant the broadest powers to the members of the Board of Directors of the Company, with the option of sub-delegation under legal and regulatory conditions, so as to perform all necessary formalities.

Your Statutory Auditors will read their reports.

We invite you to vote on the resolutions.

The Board of Directors

Summary of disclosures

Disclosure by the issuer of transactions carried out on its own shares between April 1, 2010 and March 31, 2010.[1]

[1] The period under review begins on the day following the date of the report on the previous program and ends on the day the program description is published.

Percentage of treasury shares held directly or indirectly: 4.54% [1]

Number of shares canceled during the last 24 months: 0 [2]

Number of shares held in portfolio: 419,331 [1]

Book value of portfolio: €7,499,661.33 [1]

Market value of portfolio: €8,931,750.30 [1]

[1] As of March 31, 2011.
[2] The 24 months preceding the date of publication of the program description.

Gross transaction amounts [1]*			Open positions on the day of publication of the program description **			
	Purchases	Sales/ transfers	Open long positions		Open short positions	
			Call options purchased	Forward purchases	Call options written	Forward sales
Number of shares	235,455	241,194				
Maximum average maturity [2]						
Average transaction price [3]	€21.73	€21.54				
Average exercise price [4]						
Amounts	**5,115,843.72**	**5,196,174.58**				

[1] The period under review begins on the day following the date of the report on the previous program and ends on March 31, 2011.
Specify whether the transaction is a block trade or a transaction under the liquidity contract (in this case, add the issuer's percentage).
[2] Period remaining as of the date of publication of the program description.
[3] Cash transactions.
[4] For cumulative gross changes, indicate the average exercise price of exercised options and matured forward transactions.

* Cumulative gross changes include cash purchases and sales transactions as well as optional and forward transactions that have been exercised or have matured.
** Open positions include forward purchases or sales that have not matured as well as unexercised call options.

Description of the share buyback program to be submitted for shareholder approval at the May 19, 2011 Ordinary Shareholders' Meeting

In accordance with Article 241-2 of the General Regulation of the Autorité des Marchés Financiers as well as European Commission regulation 2273/2003, dated December 22, 2003 effective October 13, 2004, the purpose of this description is to present the objectives and procedures pertaining to the Company's program of buying back its own shares, subject to authorization by shareholders at their May 19, 2011 Ordinary Shareholders' Meeting.

This description is available to shareholders on the Company's website (www.cegid.com) as well as on the website of the Autorité des Marchés Financiers (www.amf-france.org). A copy may also be obtained free of charge by mail at the following address: Cegid Group, 52 quai Paul Sédallian, 69009 Lyon, France.

Percentage of share capital and breakdown of shares held by the Company, by purpose, as of March 31, 2011

As of March 31, 2011, the Company held, owing to the mandate given to CM-CIC Securities for the share buyback program, to the liquidity contract managed by CM-CIC Securities, and to the mandate given to Exane, 419,331 of its own shares, representing 4.54% of the share capital, allocated to the following purposes:

- 0.16% to make a market and ensure regular price quotations through a liquidity contract that complies with the AMAFI Code of Conduct;
- 4.38% as part of the issue of redeemable share warrants to certain employees of the Company, of other companies in the Group, of ICMI and to an executive officer of the Company (authorized by shareholders at their December 22, 2009 Special Meeting).

Objectives of the buyback program

The objectives of the program are as follows, in decreasing order of importance:

- Make a market and ensure regular price quotations through a liquidity contract that complies with the AMAFI Code of Conduct;
- Purchase shares with an intent to hold them and offer them at a later date in exchange or in payment for acquisitions, in accordance with market practices permitted by the AMF and within the limits set out by law;
- Allocate shares under the terms and conditions provided by law, in particular in the framework of employee profit-sharing, to the exercise of purchase-type stock options, to an employee savings plan, or as bonus shares granted to employees and executive officers pursuant to Articles L.225-197-1 et seq. of the French Commercial Code;
- Remit shares of the Company upon the exercise of rights attached to securities giving access in any way to the shares of the Company, in accordance with applicable regulations;
- Reduce share capital by canceling some or all of the shares, provided resolution one of the Special Shareholders' Meeting called for May 19, 2011 is approved;
- Implement any market practices allowed in the future by the AMF and more generally, carry out any transactions that conform with applicable regulations.

Terms and conditions

Maximum percentage of share capital and maximum number of shares the Company proposes to buy

As previously, the program shall pertain to a variable number of shares, such that the Company does not hold, taking into account shares it holds in treasury, more than 10% of the existing share capital on the day of the Ordinary Shareholders' Meeting, called for May 19, 2011.

For information, based on the number of shares comprising the share capital on March 31, 2011, this would represent a maximum of 503,975 Cegid Group shares.

Maximum purchase price and maximum amount of funds that can be committed to the program

The maximum purchase price is set at sixty euros (€60).

The maximum amount of funds that can be committed to the share buyback program is set at €30,238,500.

These amounts do not include brokerage costs. The price mentioned above shall be adjusted by the Board of Directors in the event subscription or allocation rights are used or in the event of transactions on the share capital having an impact on the value of the shares.

These transactions to acquire, sell or exchange shares may be carried out and settled by any means, and in any manner, on the stock exchange or otherwise, including through the use of derivative instruments, in particular via optional transactions as long as such options do not significantly increase the volatility of the share price, and in accordance with applicable regulations. These transactions may be carried out at any time including while takeover bids are in effect on shares or securities issued or initiated by the Company, subject however to the abstention periods provided for by law and the General Regulation of the Autorité des Marchés Financiers.

Characteristics of the shares covered by the buyback program

Cegid common shares are listed for trading on Eurolist by Euronext Paris, Compartment B.

ISIN code: FR 0000124703.

Duration of the buyback program

The program shall be valid for eighteen months, starting from the date of the Meeting, i.e. until November 18, 2012.

Statutory Auditors' report on the reduction of capital through cancellation of shares

Cegid Group SA
Special Shareholders' Meeting of May 19, 2011 (resolutions one and three)

To the shareholders,

In our capacity as Statutory Auditors of your Company, and in execution of our assignment pursuant to Article L.225-209 of the French Commercial Code in the event of capital reductions through cancellation of shares held in treasury, we have prepared the present report to inform you of our opinion of the reasons for and terms of the proposed capital reduction.

We have carried out the procedures we deemed necessary with regard to the professional standards of the Compagnie Nationale des Commissaires aux Comptes (French society of auditors) relative to this assignment. These procedures consisted in examining whether or not the reasons for and terms of the proposed reduction in share capital are legitimate.

This transaction falls within the scope of your Company's repurchase of its own shares, limited to 10% of its capital, pursuant to Article L.225-209 of the French Commercial Code. This share buyback authorization is being submitted for your approval at your Shareholders' Meeting (resolution six of the Ordinary Shareholders' Meeting) and would be valid for a period of 18 months.

Your Board requests that you grant it full authority for 18 months, as part of implementing the share buyback authorization, subject to a maximum of 10% of the Company's capital per 24-month period, to cancel the shares so repurchased.

Your Board of Directors proposes, in resolution three, that you allow it to use this authorization to reduce the share capital while a takeover bid on the Company's shares is in effect.

We have no observations concerning the reasons for and terms of the proposed capital reduction, it being noted that this transaction may be carried out only if you have previously approved your Company's share buyback program at your Shareholders' Meeting.

Lyon and Villeurbanne, April 18, 2011

The Statutory Auditors

GRANT THORNTON
French member of Grant Thornton International
François Pons

MAZARS
Max Dumoulin

STATUTORY AUDITORS' REPORT ON THE PROPOSAL TO ISSUE FREE SHARE WARRANTS IN THE EVENT OF A TAKEOVER BID

Cegid Group SA
Special Shareholders' Meeting of May 19, 2011 (resolution two)

To the shareholders,

In our capacity as Statutory Auditors of your Company, and in execution of our assignment pursuant to Article L.228-92 of the French Commercial Code, we present our report on the proposal to issue share warrants free of charge in the event of a takeover bid on the Company. You will be asked to vote on this transaction.

Your Board of Directors, based on its report, requests that you authorize it, for a period of 18 months, with the option of sub-delegation and within the framework of Article L.233-32 II of the French Commercial Code, to:

- issue warrants subject to Article L.233-32-II of the French Commercial Code and allowing holders to subscribe, under preferential terms, to one or more shares of the Company, and to allocate them free of charge to all shareholders who are shareholders of the Company before the expiration of the takeover bid;
- set the exercise terms and the features of such warrants.

The maximum par value of shares that could be issued in this way cannot exceed the ceiling of €15 million and the maximum number of warrants that could be issued cannot exceed the number of shares that comprise the capital on the day of the decision to issue.

Your Board of Directors is responsible for issuing a report in accordance with Articles R.225-113, R.225-114, R.225-115 and R.225-117 of the French Commercial Code. It is our responsibility to provide our opinion on the fair presentation of the quantitative information drawn from the financial statements and on certain other information concerning the issue, provided in this report.

We have carried out the procedures we deemed necessary with regard to the professional standards of the Compagnie Nationale des Commissaires aux Comptes (French society of auditors) relative to this assignment. These procedures consisted in verifying the content of the Board of Directors' report relative to this transaction.

We have no observations to make concerning the information provided in the report of the Board of Directors on the planned transaction to issue share warrants in the event of a takeover bid on at the Company.

Should your Board of Directors use this authorization, we will issue an additional report for the purpose of confirmation via a Shareholders' Meeting, as provided for in Article L.233-32 III of the French Commercial Code, and in accordance with Article R.225-116 of the French Commercial Code.

Lyon and Villeurbanne, April 18, 2011

The Statutory Auditors

GRANT THORNTON
French member of Grant Thornton International
François Pons

MAZARS
Max Dumoulin

Statutory Auditors' report on the capital increase, with waiver of preferential subscription rights, reserved for employees enrolled in an employee savings plan

Cegid Group SA
Special Shareholders' Meeting of May 19, 2011 (resolution four)

To the shareholders,

In our capacity as Statutory Auditors of Cegid Group SA and in execution of our assignment pursuant to Articles L.225-135 et seq. and L.228-92 et seq. of the French Commercial Code, we hereby submit our report on the proposal to authorize the Board of Directors to increase the capital on one or more occasions by issuing shares or marketable securities giving access to the capital, with waiver of preferential subscription rights, for a maximum amount of 3% of the share capital. You will be asked to vote on this transaction. This capital increase is reserved for employees of the Company and of companies and groups of companies, as defined in Article L.233-16 of the French Commercial Code, who are enrolled in an employee savings plan.

This capital increase is submitted for your approval in accordance with Articles L.225-129-6 of the French Commercial Code and L.3332-18 to L.3332-24 of the French Labor Code.

Your Board of Directors proposes, on the basis of its report, that you authorize it to carry out one or more capital increases and to waive your preferential subscription rights to the shares to be issued, for a period of 26 months beginning on the day of this Shareholders' Meeting. Should the authorization be used, it will be the Board's responsibility to set the definitive terms of the issue.

Your Board of Directors is responsible for issuing a report in accordance with Articles R.225-113, R.225-114 and R.225-117 of the French Commercial Code. Our role is to express an opinion on the fair presentation of the quantitative information drawn from the financial statements, on the proposal to waive preferential subscription rights and on certain other information concerning such capital increases, as set forth in the report.

We have carried out the procedures we deemed necessary with regard to the professional standards of the Compagnie Nationale des Commissaires aux Comptes (French society of auditors) relative to this assignment. These procedures consisted in verifying the content of the Board of Directors' report relative to this transaction, and the procedures for determining the price of the shares to be issued.

Subject to a subsequent review of the terms and conditions of the proposed capital increases, we have no observations to make concerning the procedures for determining the issue price of future equity securities, as indicated in the Board of Directors' report.

As the issue price for the equity securities to be issued has not been set, we do not express an opinion on the definitive terms under which these capital increases might be carried out, nor, consequently, on the proposal made to you to waive the preferential subscription rights.

Should your Board of Directors use this authorization, we will issue an additional report, in accordance with Article R.225-116 of the French Commercial Code.

Lyon and Villeurbanne, April 18, 2011

The Statutory Auditors

GRANT THORNTON
French member of Grant Thornton International
François Pons

MAZARS
Max Dumoulin

Statutory Auditors' report on the issuance of subscription-type and/or purchase-type stock options for the benefit of employees and/or executive officers of the companies in the Group

Cegid Group SA
Special Shareholders' Meeting of May 19, 2011 (resolution five)

To the shareholders,

In our capacity as Statutory Auditors of Cegid Group and in accordance with our assignment pursuant to Article L.225-177 and R.225-144 of the French Commercial Code, we have prepared this report on the issuance of subscription-type or purchase-type stock options to employees and executive officers of your Company and of related companies as defined in Article L.225-180 of the French Commercial Code within the limits of laws and regulations in force.

Your Board of Directors requests that you authorize it, for a period of 38 months, to grant subscription-type or purchase-type stock options.

It is the responsibility of the Board of Directors to submit a report on the reasons behind the creation of the subscription-type or purchase-type stock options and on the procedures proposed for setting the subscription or purchase price thereof. Our role is to express an opinion on the methods proposed for setting the subscription or purchase price.

We have carried out the procedures we deemed necessary with regard to the professional standards of the Compagnie Nationale des Commissaires aux Comptes (French society of auditors) relative to this assignment. These procedures required us to verify that the methods proposed for setting the purchase or subscription price were disclosed in the report of the Board of Directors, that they complied with legislation, were informative for shareholders and were not clearly inappropriate.

We have no observations to make on the proposed procedures.

Lyon and Villeurbanne, April 18, 2011

The Statutory Auditors

GRANT THORNTON
French member of Grant Thornton International
François Pons

MAZARS
Max Dumoulin

STATUTORY AUDITORS' REPORT ON THE ALLOCATION OF NEW OR EXISTING BONUS SHARES TO EMPLOYEES AND EXECUTIVE OFFICERS

Cegid Group SA
Special Shareholders' Meeting of May 19, 2011 (resolution six)

To the shareholders,

In our capacity as Statutory Auditors of your Company and in accordance with our assignment pursuant to Article L.225-197-1 of the French Commercial Code, we have prepared this report on the proposed allocation of new or existing bonus shares to certain employees and to the executive officers of Cegid Group and related companies, as defined by Article L.225-197-2 of the French Commercial Code.

The total number of bonus shares granted pursuant to this resolution could not be greater than 10% of the number of shares comprising the share capital as of the day the Board of Directors grants such bonus shares.

Your Board of Directors requests that you authorize it, for a period of 38 months, to grant new or existing bonus shares free of charge. It is responsible for preparing a report on the planned transaction. Our responsibility is to inform you of our observations, if any, on the information thus provided regarding the planned transaction.

We have carried out the procedures we deemed necessary with regard to the professional standards of the Compagnie Nationale des Commissaires aux Comptes (French society of auditors) relative to this assignment. These procedures consisted in verifying that the procedures planned and indicated in the report of the Board of Directors are consistent with the provisions of the law.

We have no observations regarding the information contained in the report of the Board of Directors on the planned allocation of bonus shares.

Lyon and Villeurbanne, April 18, 2011

The Statutory Auditors

GRANT THORNTON
French member of Grant Thornton International
François Pons

MAZARS
Max Dumoulin

1. RESOLUTIONS PROPOSED AT THE ORDINARY SHAREHOLDERS' MEETING

RESOLUTION ONE

(Approval of annual financial statements, ratification of Board performance)

The shareholders, having reviewed the reports of the Board of Directors and the Statutory Auditors, approve the consolidated financial statements for the period ended December 31, 2010 including the income statement, balance sheet and notes as presented, resulting in net income attributable to parent company shareholders of €10,923,449, along with the operations reflected in these statements or summarized in these reports.

In consequence, they fully and unconditionally ratify the performance of the Company's Board of Directors in the execution of their duties.

RESOLUTION TWO

(Approval of the consolidated financial statements)

The shareholders, having reviewed the reports of the Board of Directors and the Statutory Auditors, approve the consolidated financial statements for the period ended December 31, 2010 including the income statement, balance sheet and notes as presented, resulting in net income attributable to parent company shareholders of €19,291,478, along with the operations reflected in these statements or summarized in these reports.

RESOLUTION THREE

(Approval of agreements pursuant to Articles L.225-38 et seq. of the French Commercial Code)

The shareholders, having reviewed the special report of the Statutory Auditors, approve the transactions that took place during the fiscal year, as described in the Statutory Auditors' special report on the agreements pursuant to Articles L.225-38 et seq. of the French Commercial Code, and the terms of this report.

RESOLUTION FOUR

(Allocation of net income for the year ended December 31, 2010 and payment of dividend)

The shareholders, upon the proposal of the Board of Directors and after recognizing that the financial statements for the year ended December 31, 2010 resulted in net income of €10,923,449.85, which after addition of retained earnings of €13,446,471.67 makes a distributable total of €24,369,921.52, decide to allocate this amount as follows:

- Payment of a dividend of €1.05 per share	
Totaling, for 9,233,057 shares	€9,694,709.85
- Retained earnings	€14,675,211.67
Total	**€24,369,921.52**

The shareholders hereby decide that in the event the Company holds some of its own shares when dividends are to be paid, the portion of net income corresponding to the unpaid dividends on these shares shall be allocated to the "Retained earnings" account.

The dividend will be paid on May 26, 2011. The shareholders acknowledge that the amount distributed as dividends to individual shareholders shall be fully eligible for the 40% exclusion pursuant to Article 158 of the French Tax Code.

In accordance with Article 243 bis of the French Tax Code, the table below shows dividends paid on earnings of the three previous financial years:

Fiscal year	2009	2008	2007
Number of shares	9,233,057	9,232,679	9,232,676
Net dividend per share (€)	1.05	1	1
TOTAL PER SHARE (€)	**1.05**	**1**	**1**
TOTAL NET DIVIDEND (€)	**9,694,709.85**	**9,232,679**	**9,232,676**
Dividend eligible for the 40% exclusion	9,694,709.85	9,232,679	9,232,676
Dividend not eligible for the 40% exclusion			

RESOLUTION FIVE

(Amount of director's fees to be paid with respect to the current year)

The shareholders, having reviewed the report of the Board of Directors, decide to allocate director's fees to the Board of Directors with respect to the current year in the amount of €100,000.

RESOLUTION SIX

(Authorization for the Board of Directors to acquire shares pursuant to Articles L.225-209 to L.225-212 of the French Commercial Code)

The shareholders, having reviewed the report of the Board of Directors and the information contained in the Reference Document, authorize the Board of Directors with the option of sub-delegation as permitted by law, in accordance with Articles L.225-209 et seq. of the French Commercial Code, Regulation 2273/2003 of the European Commission dated December 22, 2003, and market practices recognized by the Autorité des Marchés Financiers, to repurchase in one or several transactions at its own discretion and up to the limits stipulated hereafter, shares of the Company up to 10% of the share capital, with the stipulation that this ceiling will be evaluated in accordance with the 2nd paragraph of Article L.225-209 of the French Commercial Code.

Shares may be purchased for the following reasons:

- Make a market and ensure regular price quotations through a liquidity contract that complies with the AMAFI Code of Conduct;
- Purchase shares with an intent to hold them and offer them at a later date in exchange or in payment for acquisitions, in accordance with market practices permitted by the AMF and within the limits set out by law;
- Allocate shares under the terms and conditions provided by law, in particular in the framework of employee profit-sharing, to the exercise of purchase-type stock options, to an employee savings plan, or as bonus shares granted to employees and executive officers pursuant to Articles L.225-197-1 et seq. of the French Commercial Code;
- Remit shares of the Company upon the exercise of rights attached to securities giving access in any way to the shares of the Company, in accordance with applicable regulations;

- Reduce share capital by canceling some or all of the shares, provided resolution one of the present Special Shareholders' Meeting is approved; or
- Implement any market practices allowed in the future by the AMF and more generally, carry out any transactions that conform with applicable regulations.

The acquisition, transfer or exchange of shares may be carried out and paid by any means, and in any manner, on the market or otherwise, including through the use of derivative instruments, in particular via optional transactions provided these optional transactions do not significantly increase the volatility of the share price, and in accordance with applicable regulations. These transactions may be carried out at any time including while a takeover bid is in effect on the shares or other securities issued by the Company, or during a takeover bid initiated by the Company, subject to the abstention periods provided for by law and the General Regulation of the AMF.

The amount of capital purchased or transferred through block trades may reach the total amount of the program.

The maximum purchase price may not exceed €60 per share (excl. brokerage fees) subject to adjustments related to any corporate actions and/or the par value of the share.

The maximum theoretical amount of the program is therefore €30,238,500 (excluding negotiating fees), taking into account the 419,331 shares held in treasury as of March 31, 2011. The maximum number of shares that could be acquired, assuming none are resold, is thus 503,975 shares.

The shareholders grant full powers to the Board of Directors with the option of sub-delegation under the conditions provided for by law, to sign all deeds, conclude all agreements, make any declarations, complete all formalities and in general do all that is necessary in this regard. The shareholders grant the Board of Directors full powers to adjust the unit price and maximum number of shares to be acquired in proportion to the change in the number of shares or their par value resulting from corporate actions undertaken by the Company.

This authorization is granted for eighteen months starting with the present Meeting.

It cancels and replaces the authorization granted under resolution six of the May 6, 2010 Ordinary Shareholders' Meeting.

Shareholders acknowledge that if the Board of Directors were to use this authorization, it would include information relative to the execution of this share buyback program in the report to shareholders stipulated in Article L.225-100 of the French Commercial Code and in accordance with Article L.225-211 of the same code.

RESOLUTION SEVEN

(Ratification of the appointment of Thierry Martel as Board member)

Having reviewed the report of the Board of Directors, shareholders ratify the interim appointment of Thierry Martel, residing at 5 rue Henri de Bornier, Paris 75116, as Director, replacing Benoît Maes, who resigned from the Board. Mr. Martel was appointed by the Board at its meeting of May 6, 2010 and will serve out his predecessor's remaining term, which ends at the Shareholders' Meeting called to approve the financial statements of the year ending December 31, 2013.

RESOLUTION EIGHT

(Powers to accomplish legal formalities)

The shareholders grant full powers to the bearer of an original, copy or extract of the minutes of this Meeting to carry out all legal filing, publication and other formalities.

2. RESOLUTIONS FALLING WITHIN THE SCOPE OF THE SPECIAL SHAREHOLDERS' MEETING

RESOLUTION ONE

(Authorization for the Board of Directors to reduce the share capital through cancellation of shares held in treasury)

The shareholders, voting according to the conditions of quorum and majority required for special shareholders' meetings, having reviewed the report of the Board of Directors and the Statutory Auditors' special report, authorize the Board of Directors with the option of sub-delegation as permitted under applicable laws and regulations in accordance with Article L.225-209 of the French Commercial Code, to cancel, at its own discretion, in one or more transactions, within the limit of 10% of the share capital in any 24-month period, shares repurchased under the authorization granted by resolution six of the Ordinary Shareholders' Meeting, provided it is approved, or any similar resolution approved by shareholders at previous shareholders' meetings, and to reduce the share capital in due proportion by the cancellation of shares.

The shareholders grant this authorization for 18 months from the date of this Meeting, and vest all powers in the Board of Directors, with the option of sub-delegation as permitted under applicable laws and regulations in accordance with Article L.225-209 of the French Commercial Code, to determine the definitive amount of the capital reduction within the limits provided by law and this resolution, to determine the procedures, record its completion, allocate the difference between the purchase price of the shares and their par value to the reserve or share premium accounts of their choosing, carry out all actions, formalities or representations required to finalize the reductions of capital carried out by virtue of this authorization and to amend the bylaws accordingly.

This authorization shall cancel and replace the authorization granted in resolution one of the May 6, 2010 Special Shareholders' Meeting.

RESOLUTION TWO

(Authorization for the Board of Directors to issue share warrants free of charge to Company shareholders)

The shareholders, voting according to the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the report of the Board of Directors and the special report of the Auditors, and in accordance with the legal and regulatory measures governing commercial companies and in particular those of Articles L.225-129 to L.225-129-6, L.233-32 and L.233-33 of the French Commercial Code, delegate to the Board of Directors, with the option of sub-delegation as permitted by applicable laws and regulations, the power to decide to issue, in France or abroad, share warrants allocated free of charge to the company's shareholders.

The shareholders hereby decide that the warrants indicated in this resolution may be issued only during a takeover bid on the Company's securities, and only those shareholders who are shareholders of the Company before the expiration of the takeover bid shall benefit from this free allocation of share warrants.

The shareholders hereby decide that the maximum par value of the capital increase that might be carried out in the future pursuant to this resolution shall not exceed €15 million or its equivalent value in foreign currency or in composite monetary units, with this limit being increased by the par value of capital increases pertaining to adjustments that might be made, in accordance with applicable laws and regulations, to preserve the rights of holders of securities giving access to the Company's share capital. The ceiling of €15 million indicated above shall be independent of the total of all ceilings stipulated in resolutions two and four approved by shareholders at their May 6, 2010 Special Shareholders' Meeting.

The number of warrants that may be issued shall not exceed the number of shares comprising the Company's capital on the day of the decision to issue warrants.

The shareholders acknowledge that, as needed, they hereby waive their preferential subscription rights to the new shares to which these securities grant entitlement in favor of the holders of share warrants that might be issued pursuant to this resolution.

The shareholders decide that the Board of Directors shall have full powers, with the option of sub-delegation under conditions provided for by law, to implement this authorization, in particular to determine the beneficiaries, the number, characteristics and terms for exercising these warrants, the dates and procedures for issue, to set the entitlement date, including retroactively, for the securities to be issued and the terms for their repurchase, if applicable, to suspend the rights attached to the securities to be issued, if applicable, for a period not to exceed three months, to set the procedures ensuring that the rights of holders of securities giving future access to Company shares are preserved, if applicable, in accordance with legal, regulatory and contractual terms, to apply any and all amounts to the share premium account and in particular issuance fees and to deduct from this account the amounts needed to bring the legal reserve to one-tenth of the new capital after each increase, to take in general all necessary measures and conclude all necessary agreements to ensure the completion of the planned issue, to recognize the capital increase or increases resulting from any issue carried out pursuant to this authorization and to amend the bylaws accordingly.

The authorization thus granted to the Board of Directors shall be valid for a period of eighteen months starting from this Meeting and shall cancel and replace the authorization granted in resolution eight of the May 6, 2010 Special Shareholders' Meeting.

RESOLUTION THREE

(Authorization for the Board of Directors to use its authorizations to increase or reduce share capital when the shares of the Company are subject to a public takeover offer)

The shareholders, voting according to the conditions of quorum and majority required for special shareholders' meetings, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, and in accordance with the measures of Articles L.233-32 and L.233-33 of the French Commercial Code, decide that all the authorizations to increase the capital of the Company by issuing shares and other securities as well as the authorizations for reducing the capital, that the Board of Directors has available by virtue of the resolutions approved at this Meeting may be used even during a period of a takeover bid or tender offer on the Company's securities, as long as legal and regulatory conditions are complied with.

This authorization shall cancel and replace the authorization granted in resolution nine of the May 6, 2010 Special Shareholders' Meeting.

RESOLUTION FOUR

(Powers granted to the Board of Directors to issue shares and/or securities that give immediate and/or future access to the capital of the Company reserved for members of an employee savings plan pursuant to the French Commercial Code and Articles L.3332-18 et seq. of the French Labor Code)

The shareholders, voting according to the conditions of quorum and majority required for special shareholders' meetings, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, authorize the Board of Directors, pursuant to Articles L.225-129-2, L.225-129-6 and L.225-138-1 of the French Commercial Code, to carry out, at its own discretion, under the terms of Articles L.3332-18 et seq. of the French Labor Code, one or more capital increases reserved for employees of the Company and French and foreign companies or groups of companies, as defined in Article L.233-16 of the French Commercial Code, who are enrolled in an employee savings plan and have seniority of at least three months in one or another of these entities.

This authorization is granted for a period of twenty-six (26) months starting from this day.

The total number of shares thus subscribed shall not exceed 3% of the share capital on the day of the decision to issue pursuant to this resolution, it being stipulated that this ceiling is independent of the ceiling associated with the preceding capital increase authorizations.

The subscription price shall not be greater than the average quoted price over the 20 trading days preceding the day on which the Board of Directors sets the opening date for subscriptions, nor more than 20% less than this average or 30% less than this average when the minimum holding period specified in the plan, in accordance with Article L.3332-25 et seq. of the French Labor Code, is greater than or equal to ten years.

The shares thus subscribed to can be paid for either in cash or via offset, according to the terms set by the Board of Directors.

The shareholders hereby decide that the Board of Directors may also, in application of this authorization, allocate free of charge to employees shares or other securities giving access to the capital of the Company under the terms specified in Article L.3332-18 et seq. of the French Labor Code, or any security that would come to be authorized by applicable law or regulations.

The shareholders grant full powers to the Board of Directors to implement this authorization and in particular to:

- set the number of new shares to be issued and their date of entitlement;
- set the subscription price, as well as the timeframe granted to the employees to exercise their rights;
- set the timeframe and procedures for the payment of shares subscribed;
- recognize the completion of the capital increase or increases and amend the bylaws accordingly,

and in general, decide and carry out, either by itself, or via proxy, all transactions and formalities, and take all appropriate steps to effect the capital increase or increases.

The shareholders hereby decide to waive, in favor of the above-mentioned beneficiaries, their preferential subscription rights to shares issued under this authorization and also renounce any rights to shares or other securities giving access to the capital that might be issued by virtue of this resolution.

RESOLUTION FIVE

(Authorization to grant subscription-type and/or purchase-type stock options for the benefit of employees and/or executive officers of the companies in the Group)

The shareholders, voting according to the conditions of quorum and majority required for special shareholders' meetings, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, authorize the Board of Directors, pursuant to Articles L.225-177 et seq. of the French Commercial Code, for a period of thirty-eight (38) months from the present Shareholders' Meeting, to grant, on one or more occasions, to some or all employees and executive officers of the Company and companies or economic interest groups related to it pursuant to Article L.225-180 of the French Commercial Code and within the limits of laws and regulations in force, options to subscribe to new shares issued in the context of a capital increase and/or options to purchase shares acquired by the Company in accordance with the law.

The par value of capital increases resulting from the exercise of subscription-type stock options granted pursuant to this authorization shall be allocated from the overall limit stipulated in resolution four of the May 6, 2010 Shareholders' Meeting. The subscription-type or purchase-type stock options cannot be granted during periods prohibited by law.

Shareholders hereby waive their preferential right to subscribe to the shares issued as these subscription-type stock options are exercised, in favor of the beneficiaries of such options.

The subscription or purchase price of the shares shall be set by the Board of Directors on the date on which the options are granted, pursuant to the limits and procedures stipulated by law. The subscription or purchase price cannot be changed during the lifetime of the option. Nevertheless, in the event of amortization or reduction of capital, of a change in the allocation of earnings, of the allocation of bonus shares, of the capitalization of reserves, retained earnings or share premiums into share capital, of the distribution of reserves or of any issue of share capital or of securities granting entitlement to securities giving access to the capital and including a subscription right reserved for shareholders, the Board of Directors shall take the measures necessary to protect the interests of the beneficiaries of the options pursuant to the terms of Article L.228-99 of the French Commercial Code.

The beneficiaries shall have the right to exercise the options within a period not to exceed ten (10) years from the date on which they were granted.

Shareholders hereby grant to the Board of Directors, within the limits set above and in the bylaws, with the option of sub-delegation under conditions provided for by law and by the bylaws of the Company, the necessary powers to implement this resolution, including the powers to:

- decide whether to offer subscription-type or purchase-type stock options;
- set the dates on which the options will be granted;
- set the dates of each grant, set the terms of the option grant (in particular these terms can include clauses prohibiting the immediate resale of all or part of the shares, in accordance with laws and regulations), determine the list of option beneficiaries and the number of shares each beneficiary may subscribe to or buy;
- set the terms for exercising the options, in particular the exercise period or periods, with the stipulation that the Board of Directors shall be able to allow for temporary suspension option exercises in accordance with laws and regulations;
- determine the terms at which the price and the number of shares subscribed to or purchased shall be adjusted in circumstances stipulated by law;
- determine the lifetime of the options, provided that such lifetime does not exceed ten (10) years, as well as the option exercise periods;
- carry out all formalities to as to render definitive the capital increase or increases that might be carried out pursuant to this authorization; and
- amend the bylaws accordingly and, in general, take all appropriate steps;

Each year the Board of Directors shall notify the shareholders in their Shareholders Meeting of the transactions undertaken pursuant to this resolution.

This authorization shall replace and cancel the authorization granted under resolution ten of the May 7, 2008 Special Shareholders' Meeting, with immediate effect.

RESOLUTION SIX

(Authorization granted to the Board of Directors to grant bonus shares, either existing or newly-issued)

The shareholders, voting according to the conditions of quorum and majority required for special shareholders' meetings, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, authorize the Board of Directors, pursuant to Articles L.225-197-1 et seq. of the French Commercial Code:

- authorize the Board of Directors to grant, on one or more occasions, for the benefit of salaried employees of the Company or of related companies as defined in Article L.225-197-2 of the French Commercial Code or of certain categories of employees, as well as for the benefit of executive officers as defined by law, free bonus allocations of existing or newly-issued shares of the Company, subject to abstention periods specified by law;
- allow the Board of Directors to determine the beneficiaries of bonus share allocations as well as the terms and grant criteria, if applicable;
- decide that the total number of bonus shares granted pursuant to this resolution shall not be such that the total number of bonus shares granted exceeds 10% of the number of shares comprising the share capital as of the day of grant by the Board of Directors;

- decide that the shares granted to beneficiaries shall become vested at the end of a period of at least two years; beneficiaries must also hold the shares for a minimum period of two years;
- authorize the Board of Directors to adjust the number of shares during the vesting period, if necessary, as a result of any transactions on the Company's capital, so as to preserve the rights of the beneficiaries as stipulated in the French Commercial Code;
- authorize the Board of Directors, pursuant to Article L.225-129-2 of the French Commercial Code and within the limit of the authorizations it has received, to carry out one or more capital increases by capitalization of reserves, retained earnings or share premiums, so as to allocate these new bonus shares under this resolution;
- recognize that they hereby waive their rights to the part of the reserves, retained earnings or share premiums that would be used in the event new shares, if any, are issued; and
- give the Board full power, with the option of sub-delegation within legal limits, to implement this authorization, carry out all formalities and disclosures, amend the bylaws accordingly and, in general, to take all appropriate steps.

This authorization shall be valid for a period of thirty-eight (38) months from the date of this Shareholders' Meeting. It shall cancel and replace the authorization granted in resolution eleven of the May 7, 2008 Special Shareholders' Meeting.

RESOLUTION SEVEN

(Authorization for the Board of Directors to use the shares acquired under the share buyback program)

The shareholders, voting according to the conditions of quorum and majority required for special shareholders' meetings, having reviewed the report of the Board of Directors and subject to the adoption of resolution six of the Ordinary Shareholders' Meeting, hereby decide to grant full powers to the Board of Directors, with the option to sub-delegate as permitted under applicable laws and regulations, to use the shares acquired under the share buyback program as follows:

- pursuant to the authorizations granted under resolutions two, four, five, six, seven, eight, ten and eleven of the May 6, 2010 Special Shareholders' Meeting, so as to allocate them as a result of the issuance of marketable securities giving access to the Company's capital;
- pursuant to resolutions five and six of the Special Shareholders' Meeting, provided they are approved, so as to allocate them as a result of the granting of purchase-type stock options or bonus shares.

RESOLUTION EIGHT

(Powers to accomplish legal formalities)

The shareholders grant full powers to the bearer of an original, copy or extract of the minutes of this Meeting to carry out all legal filing, publication and other formalities.

The Board of Directors

Persons responsible for the Reference Document and the auditing of financial statements

Name and titles of persons responsible for the Reference Document

Monsieur Jean-Michel Aulas

Chairman of the Board of Directors

Monsieur Patrick Bertrand

Chief Executive Officer

Statement of responsibility for the Reference Document

We hereby certify, having taken all reasonable measures in this regard, that the information contained in this Reference Document is, to the best of our knowledge, accurate and that no information has been omitted that would be likely to alter its substance.

We hereby certify that, to the best of our knowledge, the financial statements have been prepared in accordance with applicable accounting standards and provide a true and fair view of the assets and liabilities, financial condition and earnings of the Company and of the companies included in its scope of consolidation, and that the Management Report beginning on page 39 of this document presents a true and fair view of the business, earnings and financial condition of the Company and of the companies included in the scope of consolidation, as well as a description of the principal risks and uncertainties with which they are confronted.

We have obtained a comfort letter from our Statutory Auditors, wherein they indicate that they have verified the information regarding the financial position and financial statements included in this Reference Document and that they have read this entire document.

This letter does not contain any observations. The Statutory Auditors' reports on the historical financial information presented in this document can be found on pages 97 and 111 of the present document, and those incorporated by reference for 2008 and 2009 can be found on pages 107 and 126 respectively of the 2008 Reference Document and on pages 90 and 103 of the 2009 Reference Document. In their report on the consolidated financial statements for the fiscal year 2009, the Statutory Auditors noted that Cegid Group had approved new accounting standards as of January 1, 2009. In their report on the consolidated financial statements for the fiscal year 2010, the Statutory Auditors noted that Cegid Group had approved new accounting standards as of January 1, 2010.

Monsieur Jean-Michel Aulas

Chairman of the Board of Directors

Monsieur Patrick Bertrand

Chief Executive Officer

Lyon, April 26, 2011

Information policy

Monsieur Patrick Bertrand

CEO - Tel.: +33 (0)4 26 29 50 20

Names and addresses of Statutory Auditors

Principal Statutory Auditors

MAZARS

131, boulevard Stalingrad

69624 Villeurbanne Cedex

Date of first appointment: Combined Shareholders' Meeting of June 18, 1992.

Date appointment expires: Annual Shareholders' Meeting called to approve the financial statements for the period ending December 31, 2015.

GRANT THORNTON

42, avenue Georges Pompidou

69442 Lyon Cedex 03

Date of first appointment: Combined Shareholders' Meeting of May 22, 1996.

Date appointment expires: Annual Shareholders' Meeting called to approve the financial statements for the period ending December 31, 2013.

Alternate Statutory Auditors

Pierre Sardet

Exaltis, 61 Rue Henri Regnault

92075 Paris la Défense

Date of first appointment: Shareholders' Meeting of June 4, 2004.

Date appointment expires: Ordinary Shareholders' Meeting called to approve the financial statements for the period ending December 31, 2015.

IGEC

Member of the Grant Thornton network

3, rue Léon Jost

75017 Paris

Date of first appointment: Combined Shareholders' Meeting of May 7, 2008.

Date appointment expires: Annual Shareholders' Meeting called to approve the financial statements for the period ending December 31, 2013.

To make the reference document easier to read, the following table arranged by topic and in accordance with Appendix I of European Regulation 809/2004 shows the principal information required by the Autorité des Marchés Financiers under its applicable instructions and regulations.

Cross reference index

Personnel

Principal shareholders

Financial information regarding the issuer's assets, financial condition and earnings

Supplementary information

Correspondence with the Annual Financial Report [1]

[1] Pursuant to Articles L.451-1-2 of the Monetary and Financial Code and 222-3 of the AMF's General Regulation.
NA: Not Applicable.

This English translation is for the convenience of English-speaking readers. However, only the French text has legal value. Consequently, the translation may not be relied upon to sustain any legal claim, nor should it be used as the basis of any legal opinion. Cegid Group expressly disclaims all liability for any inaccuracy herein.

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