PRESS RELEASE

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GLOBAL GRAPHICS REPORTS SECOND QUARTER AND HALF YEAR 2011 RESULTS

Pompey (France), 28 July 2011 - GLOBAL GRAPHICS SA (NYSE-Euronext: GLOG), experts in developing electronic document and printing software, announces consolidated financial results for the second quarter and the first six months of the year ending 31 December 2011.

Comparisons for the second quarter of 2011 with the second quarter of the previous year include:

- Sales of Euro 2.1 million this quarter (Euro 2.3 million at Q2 2010 exchange rates), compared with Euro 2.2 million in Q2 2010;
- A nominal operating profit this quarter compared with an operating loss of Euro 1.2 million in Q2 2010;
- An adjusted operating loss of Euro 0.2 million this quarter compared with an adjusted operating loss of Euro 0.7 million in Q2 2010;
- An adjusted pre-tax loss of Euro 0.2 million this quarter (or an adjusted pre-tax loss of Euro 0.02 per share) compared with an adjusted pre-tax loss of Euro 0.8 million in Q2 2010 (or an adjusted pre-tax loss of Euro 0.08 per share);
- A net loss of Euro 0.1 million this quarter (or a net loss of Euro 0.01 per share) compared with a net loss of Euro 1.5 million in Q2 2010 (or a net loss of Euro 0.14 per share); and
- An adjusted net loss of Euro 0.2 million this quarter (or an adjusted net loss of Euro 0.02 per share) compared with an adjusted net loss of Euro 1.0 million in Q2 2010 (or an adjusted net loss of Euro 0.10 per share).

Commenting on performance, Gary Fry, Chief Executive Officer, said: “the second quarter has been stable financially and that has allowed us to continue our exciting programme into our three market segments.

“In the production printing market segment, we have been finalizing new technology releases for digital and traditional printing applications. Both are due to be released in the third quarter of this year and we are pleased to see that our initial expectations on performance and quality have been exceeded. These innovations will enable us to continue to win new customers in digital print.

“In the office printing market segment, we released our alpha code to the growing list of manufacturers who are evaluating our mobile print solution. The beta evaluation will be released in the third quarter of this year, and with that, plans to capitalize on the growth opportunities of what is an emerging market.

“Our growth plans in the electronic document market segment are looking strong as our existing partners, such as Corel, roll out their sales and marketing activity. The latest addition to our portfolio

of OEM software will go into beta in the third quarter of this year and will be rolled out through our partners to a number of blue-chip organizations.

"In the quarter ended 30 June 2011, we continued to recruit exciting new talent into Global Graphics' development and QA teams in Cambridge. However, this will not increase our cost base, mostly because we have reallocated corresponding costs from the closure of our offshore facility in India."

Second quarter 2011 performance

Sales for the second quarter 2011 amounted to Euro 2.1 million compared with Euro 2.2 million in the second quarter 2010, or a sequential decrease of 2.9% at current exchange rates, but a sequential increase of 6.4% at constant exchange rates.

Total operating expenses amounted to Euro 2.2 million this quarter (after effect of other operating income for Euro 0.2 million), compared with Euro 3.3 million in the same period of 2010 (including other operating expenses for Euro 0.4 million), and with Euro 2.3 million in Q1 2011.

The Company reported a nominal operating profit for this quarter (or a profit equivalent to 0.3% of Q2 2011 sales), compared with an operating loss of Euro 1.2 million in Q2 2010 (or a loss equivalent to 54.6% of Q2 2010 sales).

The Company reported an adjusted operating loss (as defined in the accompanying table) of Euro 0.2 million for this quarter (or a loss equivalent to 9.4% of Q2 2011 sales), compared with an adjusted operating loss of Euro 0.7 million, which was equivalent to 33.4% of Q2 2010 sales.

The Company reported an adjusted pre-tax loss (as defined in the accompanying table) of Euro 0.2 million for this quarter, compared with an adjusted pre-tax loss of Euro 0.8 million in Q2 2010. Accordingly adjusted pre-tax EPS was a loss of Euro 0.02 this quarter compared with an adjusted pre-tax loss of Euro 0.08 per share in Q2 2010.

The Company reported a net loss of Euro 0.1 million for this quarter (or a net loss of Euro 0.01 per share), compared with a net loss of Euro 1.5 million in Q2 2010 (or a net loss of Euro 0.14 per share).

The Company reported an adjusted net loss (as defined in the accompanying table) of Euro 0.2 million for this quarter, compared with an adjusted net loss of Euro 1.0 million in Q2 2010. Accordingly, adjusted net EPS was a loss of Euro 0.02 this quarter, compared with an adjusted net loss of Euro 0.10 per share in Q2 2010.

First six months performance

Sales for the first six months of 2011 amounted to Euro 4.2 million, compared with Euro 4.2 million for the same period of 2010, or a sequential decrease of 0.2% at current exchange rates, but a sequential increase of 3.4% at constant exchange rates.

Total operating expenses amounted to Euro 4.3 million for the first six months of 2011 (after effect of other operating income for Euro 0.2 million), compared with Euro 6.3 million for the same period of 2010, the latter figure including other operating expenses for Euro 0.4 million, which were notably relating to expenses incurred pursuant to the Company's reorganization which was implemented in April 2010.

The Company reported an operating loss of Euro 0.3 million for the first six months of 2011 (or a loss equivalent to 6.7% of the period's sales), compared with an operating loss of Euro 2.3 million for the same period of 2010 (or a loss equivalent to 54.6% of that period's sales).

The Company reported an adjusted operating loss (as defined in the accompanying table) of Euro 0.5 million for the first six months of 2011 (or a loss equivalent to 12.7% of the period's sales), compared with an adjusted operating loss for the same period of 2010 of Euro 1.8 million (or a loss equivalent to 43.0% of that period's sales).

The Company reported an adjusted pre-tax loss (as defined in the accompanying table) of Euro 0.5 million for the first six months of 2011 (or an adjusted pre-tax loss of Euro 0.05 per share), compared with an adjusted pre-tax loss of Euro 2.0 million for the same period of 2010 (or an adjusted pre-tax loss of Euro 0.20 per share).

The Company reported a net loss of Euro 0.2 million for the first six months of 2011 (or a net loss of Euro 0.01 per share), compared with a net loss of Euro 2.7 million for the same period of 2010 (or a net loss of Euro 0.26 per share).

The Company reported an adjusted net loss (defined in the accompanying table) of Euro 0.3 million for the first six months of 2011, compared with an adjusted net loss of Euro 2.2 million for the same period of 2010. Accordingly, adjusted net EPS was a loss of Euro 0.03 per share for the first six months of 2011, compared with an adjusted net loss of Euro 0.22 per share for the same period of 2010.

Commentary on the remainder of 2011
Gary Fry continued: "Global Graphics continues to produce innovative ideas across all three of its market segments. Feedback from our partners and our new customers provides me with a very exciting outlook going forward. Our technology skills and innovation, along with our valuable partnerships, continue to give Global Graphics a strong platform for growth."

Third quarter 2011 results announcement
Global Graphics expects to announce its consolidated financial results for the quarter and the nine-month period ending 30 September 2011 on Thursday 3 November 2011 before market opening.

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

Forward-looking statements
This press release contains, in addition to historical information, forward-looking statements that involve risks and uncertainties. These include statements regarding the Company's growth, funding, expansion plans and expected results for future periods. Such statements are based on management's current expectations and are subject to a number of uncertainties and risks that could cause actual results to differ materially from those described in the forward-looking statements.

Although management believes that their expectations reflected in the forward-looking statements are reasonable based on information currently available to them, they cannot assure any reader that the expectations will prove to have been correct. Accordingly, any reader should not place undue reliance on these forward-looking statements. In any event, these statements speak only as of the date of this release. The Company undertakes no obligation to revise nor update any of them, neither to reflect events or circumstances after the date of this release, nor to reflect new information nor the occurrence of unanticipated events.

STATUTORY AUDITORS' REVIEW REPORT
ON THE 2011 HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2011
Free translation of the French language original

To the shareholders,

Following our appointment as statutory auditors by your shareholders' meetings and in accordance with article L.451-1-2 III of the French Monetary and Financial Law (Code monétaire et financier), we hereby report to you on:
- the review of the accompanying condensed half-yearly consolidated financial statements of Global Graphics SA for the six-month period ended 30 June 2011;
- the verification of information included in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I- Conclusion on the financial statements
We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
Based our on review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 - the standard of the IFRS as adopted by the European Union applicable to interim financial statements.
Without qualifying the conclusion expressed above, we draw attention to:
- note 2d relating to the financial situation of the group with regards to its ability to continue as a going concern;
- significant estimates made by management relating to goodwill and other intangible assets (notes 4a (i) and 4a (ii)) and deferred tax assets (notes 4c and 7b).

II- Specific verification
We have also verified information given in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.
We have no matters to report as to its fair presentation and its consistency with the condensed half-yearly consolidated financial statements.

Schiltigheim and Nancy, on 27 July 2011

KPMG Audit A subsidiary of KPMG SA	Secef Sarl
Pascal Maire Partner	Philippe Gibello Partner

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

In thousands of euros Except per share data in euro	Quarter ended 30 June 2011 Unaudited, unreviewed figures	Quarter ended 30 June 2010 Unaudited, unreviewed figures	Six-month period ended 30 June 2011 Unaudited figures	Six-month period ended 30 June 2010 Unaudited figures
Sales	2,117	2,181	4,195	4,205
Cost of sales	(106)	(91)	(213)	(204)
GROSS PROFIT	2,011	2,090	3,982	4,001
Selling, general & admin. expenses	(1,071)	(1,523)	(2,169)	(3,122)
Research and development expenses	(1,097)	(1,375)	(2,298)	(2,779)
Other operating expenses (note 5a)	0	(382)	0	(394)
Other operating income (note 5b)	164	0	205	0
OPERATING PROFIT (LOSS)	7	(1,190)	(280)	(2,294)
Interest income (note 6)	1	3	3	6
Interest expenses (note 6)	(18)	0	(26)	0
Net foreign exchange gains (losses)	25	(88)	(15)	(225)
PROFIT (LOSS) BEFORE INCOME TAX	15	(1,275)	(318)	(2,513)
Income tax benefit (expense) (note 7)	(68)	(186)	168	(143)
NET PROFIT (LOSS)	(53)	(1,461)	(150)	(2,656)
NET PROFIT (LOSS) PER SHARE (note 8)				
Basic net profit (loss) per share	(0.01)	(0.14)	(0.01)	(0.26)
Diluted net profit (loss) per share	(0.01)	(0.14)	(0.01)	(0.26)

The accompanying selected explanatory notes are an integral part of the Company’s condensed consolidated interim financial statements as at and for the quarter and the six-month period ended 30 June 2011.

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

In thousands of euros	Quarter ended 30 June 2011 Unaudited, unreviewed figures	Quarter ended 30 June 2010 Unaudited, unreviewed figures	Six-month period ended 30 June 2011 Unaudited figures	Six-month period ended 30 June 2010 Unaudited figures
Net profit (loss) for the period	(53)	(1,461)	(150)	(2,656)
Foreign currency translation differences from foreign operations	(304)	1,347	(722)	1,703
Other comprehensive income (loss) for the period, net of income tax	(304)	1,347	(722)	1,703
Total comprehensive income (loss) for the period	(357)	(114)	(872)	(953)

The accompanying selected explanatory notes are an integral part of the Company’s condensed consolidated interim financial statements as at and for the quarter and the six-month period ended 30 June 2011.

GLOBAL GRAPHICS SA AND SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

In thousands of euros	30 June 2011 Unaudited figures	31 December 2010
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	452	504
Other intangible assets	4,838	5,005
Goodwill	6,343	6,673
Financial assets	101	107
Deferred tax assets, net	47	51
TOTAL NON-CURRENT ASSETS	11,781	12,340
CURRENT ASSETS		
Inventories	20	38
Trade receivables	2,110	1,906
Current income tax receivables	0	37
Other current receivables	78	59
Prepaid expenses	554	471
Cash	1,396	1,869
TOTAL CURRENT ASSETS	4,158	4,380
TOTAL ASSETS	15,939	16,720
LIABILITIES AND SHAREHOLDERS'EQUITY		
SHAREHOLDERS'EQUITY		
Share capital (note 9a)	4,116	4,116
Share premium (note 9b)	28,772	28,776
Reserve for share-based compensation expenses	3,059	2,982
Reserve for own shares (note 10)	(1,204)	(1,204)
Accumulated deficit	(8,789)	(8,639)
Foreign currency translation reserve	(11,973)	(11,251)
TOTAL SHAREHOLDERS'EQUITY	13,981	14,780
LIABILITIES		
NON-CURRENT LIABILITIES		
Provisions (note 5b)	0	34
Other non-current liabilities	2	2
TOTAL NON-CURRENT LIABILITIES	2	36
CURRENT LIABILITIES		
Provisions (note 5b)	0	150
Trade payables	466	292
Current income tax payables	21	0
Other payables	756	892
Customer advances and deferred revenue	713	570
TOTAL CURRENT LIABILITIES	1,956	1,904
TOTAL LIABILITIES	1,958	1,940
TOTAL LIABILITIES AND SHAREHOLDERS'EQUITY	15,939	16,720

The accompanying selected explanatory notes are an integral part of the Company's condensed consolidated interim financial statements as at and for the quarter and the six-month period ended 30 June 2011.

Figures for the year ended 31 December 2010 have been extracted from the audited, full consolidated financial statements for that year.

GLOBAL GRAPHICS SA AND SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

In thousands of euros Unaudited figures	Six-month period ended 30 June 2011	Six-month period ended 30 June 2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	(318)	(2,513)
Adjustments for items without effect on cash:		
- Depreciation of property, plant and equipment	95	122
- Amortisation of other intangible assets	502	478
- Share-based compensation expenses (note 4d)	77	65
- Change in the amount of provisions (note 5b)	(205)	0
- Net interest (income) expenses (note 6)	23	(6)
- Net exchange (gains) losses (note 6)	15	225
- Operating expenses offset against the share premium	(4)	(19)
Exchange rate differences	(82)	(211)
Other items	(74)	(4)
Change in value of operating assets and liabilities:		
- Inventories	18	16
- Trade receivables	(204)	(210)
- Current income tax receivables	37	(5)
- Other current receivables	(19)	(34)
- Prepaid expenses	(83)	(161)
- Trade payables	174	228
- Current income tax payables	21	4
- Other payables	(136)	266
- Customer advances and deferred revenue	143	(116)
Cash received in the period for interest income	3	6
Cash paid in the period for interest expenses	0	0
Cash received (paid) in the period for income taxes	282	41
NET CASH FLOW USED IN OPERATING ACTIVITIES	265	(1,828)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures on property, plant and equipment	(65)	(156)
Capital expenditures on other intangible assets	0	(58)
Capitalization of development expenses (note 4b)	(576)	(416)
Proceeds from the disposal of intangible assets	17	0
NET CASH FLOW USED IN INVESTING ACTIVITIES	(624)	(630)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repurchase of own shares (note 10a)	0	0
NET CASH FLOW USED IN FINANCING ACTIVITIES	0	0
NET INCREASE (DECREASE) OF CASH IN THE PERIOD	(359)	(2,458)
CASH AT 1 JANUARY	1,869	3,144
EFFECT OF EXCHANGE RATE CHANGES ON CASH HELD AT 1 JANUARY	(114)	384
CASH AT 30 JUNE	1,396	1,070

The accompanying selected explanatory notes are an integral part of the Company’s condensed consolidated interim financial statements as at and for the quarter and the six-month period ended 30 June 2011.

GLOBAL GRAPHICS SA AND SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

In thousands of euros Unaudited figures	Six-month period ended 30 June 2011	Six-month period ended 30 June 2010
Shareholders' equity at 1 January	14,780	16,366
Total comprehensive profit (loss)	(872)	(953)
Effect of share-based compensation plans:		
- Value of services rendered by employees (note 4d)	77	65
- Operating expenses incurred with respect of share-based compensation plans (note 9b)	(4)	(44)
Total effect of share-based compensation plans	73	21
Changes in the amount of the reserve for own shares:		
- Repurchase of own shares (note 10a)	0	0
- Grant of own shares at no cost (note 10b)	0	25
Total change in the amount of the reserve for own shares	0	25
Shareholders' equity at 30 June	13,981	15,459

The accompanying selected explanatory notes are an integral part of the Company's condensed consolidated interim financial statements as at and for the quarter and the six-month period ended 30 June 2011.

NOTE 1: REPORTING ENTITY

These condensed consolidated interim financial statements as at and for the quarter and the six-month period ended 30 June 2011 comprise Global Graphics SA, a French-based company (the 'Parent'), and its subsidiaries (together referred to as 'the Company').
These condensed consolidated interim financial statements were authorized for issue by the Parent's Board of Directors on 27 July 2011.

NOTE 2: BASIS OF PREPARATION

(a) Statement of compliance

These condensed consolidated interim financial statements as at and for the quarter and the six-month period ended 30 June 2011 have been prepared in accordance with IAS 34, Interim Financial Reporting ('IAS 34'), and more generally with International Financial Reporting Standards ('IFRSs') and related interpretations issued by the International Accounting Standards Board ('IASB'), as adopted by the European Union.
For the purposes of their inclusion in the Company's quarterly earnings release, these condensed consolidated interim financial statements do not include all of the information required for full annual consolidated financial statements and should therefore be read in conjunction with the Company's consolidated financial statements as at and for the year ended 31 December 2010.

(b) Basis of measurement

These condensed consolidated interim financial statements have been prepared under the historical cost convention, except for the revaluation of derivative instruments at fair value through the income statement.
Non-current assets are stated at the lower of amortized cost and fair value less disposal costs, when applicable.
The methods used to measure fair value in these condensed consolidated interim financial statements are identical to those used for the preparation of the Company's consolidated financial statements as at and for the year ended 31 December 2010, which are set out in note 4 to the Company's consolidated financial statements for that year.

(c) Functional and presentation currency

These condensed consolidated interim financial statements are presented in euros, which is the Parent's functional and presentation currency, rounded to the nearest thousand, unless otherwise specified.

(d) Going concern

The Company had no outstanding financial debt and a cash position of 1,396 as at 30 June 2011 (1,869 as at 31 December 2010 and 1,070 as at 30 June 2010).
On the date these condensed consolidated financial statements were drafted, based on their review of updated cash flow projections prepared by management for the period of 12 months ending 30 June 2012, the members of the Parent's Board of Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern.

NOTE 3: ACCOUNTING POLICIES AND METHODS

The accounting policies and methods used for the preparation of these condensed consolidated interim financial statements are the same as those used for the preparation of the Company's consolidated financial statements as at and for the year ended 31 December 2010, which are set out in note 3 to the Company's consolidated financial statements for that year.

NOTE 4: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in accordance with IFRSs requires the use of certain critical accounting estimates.

It also requires management to exercise judgement in the process of applying the Company's accounting policies, and to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses.

The estimates and underlying assumptions are based on historical experience and various other relevant factors that are believed to be reasonable under the circumstances, the results of which form the basis of making management's judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period and future periods if the revision affects both current and future periods.

Judgements made by the Company's management in the application of IFRSs that have a significant effect on the Company's condensed consolidated interim financial statements as at and for the quarter and the six-month period ended 30 June 2011, and assumptions or estimates with a significant risk of material adjustment in the coming twelve months, are discussed hereafter.

(a) Impairment of goodwill and other intangible assets

(i) Goodwill and other intangible assets with indefinite useful lives

Goodwill and other intangible assets with indefinite useful lives are reviewed for impairment at least annually, or more frequently if events or changes in circumstances indicate that the carrying value of these items may not be recoverable, notably a decline in actual or forecast operating performance and cash flows. If the Company's future financial performance or other events indicate that the carrying value of goodwill and other intangible assets with indefinite useful lives is impaired, the Company may be required to record a significant charge during the period in which such impairment of goodwill and other intangible assets with indefinite useful lives is determined, resulting in an unfavorable impact on the Company's results of operations.

IAS 34 mandates that the Company applies the same impairment testing, recognition and reversal criteria (as applicable) at any interim date as it would at the end of its financial year, i.e. as at 31 December. In accordance with paragraph 36 of Appendix B of IAS 34, the Company did not perform a detailed impairment computation as at 30 June 2011 as had been done at 31 December 2010, but reviewed indications of possible impairment of goodwill and other intangible assets with indefinite useful lives as at and during the quarter and the six-month period ended 30 June 2011.

Based on the results of this review, the Company concluded that no impairment of goodwill and other intangible assets with indefinite useful lives was required as at and for the quarter and the six-month period ended 30 June 2011.

(ii) Intangible assets that are subject to amortization
Intangible assets that are subject to amortization (notably those arising from the capitalization of development costs in accordance with criteria set in IAS 38, Intangible Assets) are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

- Intangible assets reported under the Print segment of the Company's business
Intangible assets which are reported as part of the Print segment of the Company's business (see note 11e below) relate to two development projects (namely the Harlequin and Jaws RIP software) which management believes to meet the recognition criteria set out in paragraphs 57 to 62 of IAS 38 (see note 4b below).
Considering the absence of material changes during the quarter and the six-month period ended 30 June 2011 in the assumptions used at 31 December 2010 for identifying any requirement to impair the intangible assets reported under the Print segment of the Company's business, which resulted in management to consider that no impairment was required at the latter date for these intangible assets, management concluded that no impairment for the intangible assets reported under the Print segment of the Company's business was required as at and during the quarter and the six-month period ended 30 June 2011.

- Intangible assets reported under the eDoc segment of the Company's business
Intangible assets which are reported as part of the eDoc segment of the Company's business (see note 11e below) relate to three development projects (namely EDL, gDoc applications and other document conversion technologies) which management believes to meet the recognition criteria set out in paragraphs 57 to 62 of IAS 38 (see note 4b below).
Considering the absence of material changes during the quarter and the six-month period ended 30 June 2011 in the assumptions used at 31 December 2010 for identifying any requirement to impair the intangible assets reported under the eDoc segment of the Company's business, which resulted in management to consider that no impairment was required at the latter date for these intangible assets, management concluded that no impairment for the intangible assets reported under the eDoc segment of the Company's business was required as at and during the quarter and the six-month period ended 30 June 2011.

(b) Capitalization and amortization of computer software development costs

(i) Development cost capitalization and amortization methods used by the Company
As stated in note 3e to the Company's consolidated financial statements for the year ended 31 December 2010, costs associated with maintaining existing computer software technology and programmes are recognised as an expense when incurred.
Are recognized as intangible assets costs that are directly associated with the production of identifiable and unique software products over which the Company has proprietary rights, that can be measured reliably, and where it is probable that future economic benefits attributable to such software products will flow to the Company. Such costs only include software development employee costs.
Development costs recognized as intangible assets are amortised from the point the asset is ready for use on a straight-line basis over its estimated useful life, which do not exceed ten years. Such amortization charge is included in Research and development expenses in the consolidated statement of income.

(ii) Capitalization of computer software development costs
The following tables provide information on the aggregate amounts of computer software development costs which were capitalized as at 30 June 2011 and 2010, respectively, as well as on the amounts which were capitalized during the quarters and the six-month periods then ended for those projects the Company considered it could demonstrate that it met all of the abovementioned recognition criteria:

- Quarter and six-month period ended 30 June 2011

In thousands of euros Unaudited and unreviewed figures	Total capitalised amount as at 30 June 2011	Amount capitalised in the quarter	Amount capitalised in the six-month period
Harlequin RIP	4,694	139	276
Jaws RIP	212	35	85
Total Print segment	4,906	174	361
Electronic Document Libraries (EDL)	1,439	9	20
gDoc applications	1,172	55	128
Other document conversion technologies	65	67	67
Total eDoc segment	2,676	131	215
Total	7,582	305	576

- Quarter and six-month period ended 30 June 2010

In thousands of euros Unaudited and unreviewed figures	Total capitalised amount as at 30 June 2010	Amount capitalised in the quarter	Amount capitalised in the six-month period
Harlequin RIP	4,612	50	96
Jaws RIP	59	41	56
Total Print segment	4,671	91	152
Electronic Document Libraries (EDL)	1,554	12	45
gDoc applications	1,060	76	219
Total eDoc segment	2,614	88	264
Total	7,285	179	416

(iii) Amortization of capitalized computer software development costs
The following tables provide information on accumulated amortization as at 30 June 2011 and 2010, respectively, as well as on the amortization expenses which were recognized in the quarters and the six-month periods then ended for those projects the Company considered it could demonstrate that it met all of the abovementioned recognition criteria:

- Quarter and six-month period ended 30 June 2011

In thousands of euros Unaudited and unreviewed figures	Accumulated amortisation as at 30 June 2011	Amortisation expense for the quarter	Amortisation expense for the six-month period
Harlequin RIP	1,822	111	224
Jaws RIP	0	0	0
Total Print segment	1,822	111	224
Electronic Document Libraries (EDL)	550	40	82
gDoc applications	458	71	146
Other document conversion technologies	0	0	0
Total eDoc segment	1,008	111	228
Total	2,830	222	452

- Quarter and six-month period ended 30 June 2010

In thousands of euros Unaudited and unreviewed figures	Accumulated amortisation as at 30 June 2010	Amortisation expense for the quarter	Amortisation expense for the six-month period
Harlequin RIP	1,546	116	235
Jaws RIP	0	0	0
Total Print segment	1,546	116	235
Electronic Document Libraries (EDL)	437	40	83
gDoc applications	237	63	126
Total eDoc segment	674	103	209
Total	2,220	219	444

(c) Income tax

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

(ii) Deferred income tax

- Policy used by the Company for recognizing deferred tax assets
The Company recognises deferred tax assets as stated in note 3p to the Company's consolidated financial statements for the year ended 31 December 2010.
In evaluating whether it is probable or not that a deferred tax asset recognised in a specific jurisdiction may be utilised against future taxable profits to be recognised in that jurisdiction, the Company uses estimates of future taxable profits over an appropriate period of time from the balance sheet date (currently being four years), based on sales growth and profit assumptions considered to be appropriate by management over that four-year period.
Should these growth assumptions be revised downwards in future periods, the Company may be required to record a significant deferred tax charge during the period in which the downward revision of these assumptions would be effected, resulting in an unfavorable impact on the Company's results of operations.

- Recognized deferred tax assets and liabilities

Deferred tax asset attributable to capital allowances
Deferred tax assets are predominantly attributable to capital allowances available to the UK subsidiaries as the result of the acquisitions made by the Company in the years ended 31 December 1999 and 2000. Although such allowances may be used without any deadline, they can only be used in a given year up to 20% of the outstanding balance at the beginning of that year.
The recognition of a deferred tax asset corresponding to the amount of capital allowances the Company projected to use over the four-year period ending 30 June 2015 to offset projected taxable profit to be made by its UK subsidiary over such period, using the tax rate that was expected to apply to the period when the deferred tax asset would be expected to be realized (i.e. 26.0%, as set out in note 7d) resulted in the recognition of a deferred tax asset of 1,233 as at 30 June 2011, and deferred tax benefits of 4 and 13 in the quarter and the six-month period ended 30 June 2011, respectively (see note 7b).

Deferred tax liability arising from the capitalization of developments costs
The recognition of a deferred tax liability corresponding to the amount of development costs capitalized in accordance with applicable provisions of IAS 38, net of applicable amortization, using the tax rate that is expected to apply to the period when the deferred tax liability is expected to be settled (i.e. 26.0%) resulted in the recognition of a deferred tax liability of 1,236 at 30 June 2011, a deferred tax expense of 24 in the quarter ended 30 June 2011, and a deferred tax expense of 33 in the six-month period ended 30 June 2011(see note 7b).

- Unrecognized deferred tax assets
The amount of capital allowances which were available to the Company's UK subsidiaries as at 30 June 2011, but were not projected to be used in the four-year period ending 30 June 2015, and therefore did not result in the recognition of a deferred tax asset at 30 June 2011, amounted to 12,909 at such date.
Had a deferred tax asset been recognized with regards to such portion of available capital allowances at 30 June 2011, since these allowances would only be used after 1 July 2015, the applicable tax rate at the time these allowances would be used to offset taxable profit was assumed to be the UK statutory rate which would be applicable from 1 April 2011 (i.e. 26.0%), as this is the only change in the UK corporation tax rate which was substantially enacted before 30 June 2011: the corresponding deferred tax asset would amount to 3,356 at that date.

(d) Share-based compensation expense

(i) Outstanding and exercisable share options as at 30 June 2011
The following table summarises information about the Company's outstanding and exercisable share options as at 30 June 2011:

Grant dates of share options	Outstanding options at 30 June 2011	Exercise price per share in euro	Exercisable options at 30 June 2011	Exercise price per share in euro
12 December 2006	24,940	10.00	24,940	10.00
6 August 2008	400,000	2.08	0	2.08
18 September 2008	20,000	1.94	0	1.94
17 December 2008	150,000	2.08	0	2.08
24 February 2010	25,000	1.55	0	1.55
24 February 2010	25,000	1.64	0	1.64
28 July 2010	10,000	1.65	0	1.65
1 March 2011	25,000	1.60	0	1.60
Total	679,940	2.31	24,940	10.00

Two conditions are attached to the exercise of share options which were granted since the start of the year ended 31 December 2008:
- firstly, the recipient of a share option grant must have been an employee and/or a director of the Company at all times between the date when the options were granted to him and the date(s) when he exercises all of part of these; and
- secondly, the exercise of options may be done by the recipient of such share option grant but only from the date when the average of the closing prices reported for the Company's share over the last 120 trading days is at least equal to Euro 4.00 for the first quarter of the number of options granted to the recipient of the share option grant, to Euro 8.00 for the second quarter of the number of options granted to the recipient of the share option grant, to Euro 12.00 for the third quarter of the number of options granted to the recipient of the share option grant, and to Euro 16.00 for the last quarter of the number of options granted to the recipient of the share option grant.

(ii) Grant of shares made up to 30 June 2011

- Grant of shares at no cost to the recipient of such share grant ('free shares')

Grant of free shares made on 29 July 2009
The Parent's Board of Directors made a provisional grant of 24,750 free shares to certain employees of some of the Company's subsidiaries on 29 July 2009.
As at 30 June 2011, after effect of the final grant of shares made to certain employees of the Company when they left the Company's employment since share grant date, 21,750 shares may still be granted at the end of the four-year period starting on share grant date, provided that the recipients of the free share grant have been employees of the Company at all times during that four-year period.

Grant of free shares made on 10 March 2011
The Parent's Board of Directors made a provisional grant of 96,000 free shares to certain employees of some of the Company's subsidiaries on 10 March 2011, of which 36,000 shares to Mr. Gary Fry and 4,000 shares to Mr. Alain Pronost in their respective capacities of Chief Executive Officer and Chief Financial Officer of the Company.
As at 30 June 2011, all of these 96,000 shares may still be granted at the end of the four-year period starting on share grant date, provided that the recipients of the free share grant have been employees of the Company at all times during that four-year period.

- Share Incentive Plan
Pursuant to the authorization granted by the Company's shareholders on 29 April 2009, a Share Incentive Plan (SIP) was implemented for the benefit of the Company's employees, notably those of the UK subsidiary of the Company, who may be granted ordinary shares of the Company (Matching Shares) in proportion of the purchase of ordinary shares of the Company (Partnership Shares) made through a deduction on their net pay, being noted that such grant of Matching Shares will become final at the end of a three-year period starting on the date of each purchase of Partnership Shares.
At as 30 June 2011, a total of 27,999 shares were granted to employees of the UK subsidiary of the Company, of which 9,109 since the start of the current year.

(iii) Share-based compensation expense analysis

In thousands of euros Unaudited and unreviewed figures	Quarter ended 30 June 2011	Quarter ended 30 June 2010	Six-month period ended 30 June 2011	Six-month period ended 30 June 2010
Attributable to option grants	27	26	53	48
Attributable to share grants	15	14	24	17
Total share-based compensation expense	42	40	77	65

NOTE 5: OTHER OPERATING EXPENSES AND INCOME
In accordance with provisions of paragraph 28 of the IASB Framework and paragraphs 97 & 98 of IAS 1 (revised), Presentation of Financial Statements, when material, the nature and amount of unusual, abnormal and infrequent items of income and expense have to be separately disclosed to enhance the predictive value of the consolidated statement of income (loss).

(a) Other operating expenses

(i) Fees incurred with respect of the implementation of an EBT
An amount of 16 was expensed in the six-month period ended 30 June 2010 (of which 4 in the quarter then ended) for legal fees incurred with respect of the implementation in February 2010 of an Employee Benefit Trust (EBT) for the benefit of certain employees of the Company's UK-based subsidiary, which is managed by Global Graphics EBT Limited, a UK-based company which was then set up in that respect (see note 13 below).

(ii) Effect of the reorganisation plan which was implemented in April 2010
An amount of 378 was expensed in the quarter and the six-month period ended 30 June 2010 with respect of the reorganisation plan which was implemented in April 2010, and resulted in a total of 27 of the Company's employees being made redundant in the quarter ended 30 June 2010.

(b) Other operating income
An amount of 205 was recognised in the six-month period ended 30 June 2011 (of which 164 in the quarter then ended) pursuant to the write-back of the balance of the provision for vacant office space, which was recorded in the amount of 187 as at 31 December 2010 to account for unused office space which is currently rented in Cambourne, in the UK, pursuant to management's decision to re-use all of that office space from 1 July 2011.
In addition, a charge of 26 was recognised in the six-month period ended 30 June 2011 (of which 18 in the quarter then ended) to account for the cost of unwinding the discount of the provision (at a rate of 11.7%) when it was recorded (see note 6 below).

NOTE 6: NET FINANCING GAINS (LOSSES)

In thousands of euros Unaudited and unreviewed figures	Quarter ended 30 June 2011	Quarter ended 30 June 2010	Six-month period ended 30 June 2011	Six-month period ended 30 June 2010
Interest income	1	3	3	6
Interest expenses (note 5b)	(18)	0	(26)	0
Net interest income (expenses)	(17)	3	(23)	6
Gains (losses) on transactions and balance sheet caption revaluations	25	(120)	(15)	(110)
Gains (losses) on exchange option contracts	0	32	0	(115)
Net exchange gains (losses)	25	(88)	(15)	(225)
Net financing gains (losses)	8	(85)	(38)	(219)

NOTE 7: INCOME TAX EXPENSE (BENEFIT)

(a) Current income tax expense (benefit)

(i) Quarter ended 30 June 2011
The Company recorded a current income tax expense amounting to 13 in the quarter ended 30 June 2011, compared with a current income tax expense amounting to 65 in the quarter ended 30 June 2010.

(ii) Six-month period ended 30 June 2011

The Company recorded a current income tax benefit amounting to 235 in the six-month ended 30 June 2011, compared with a current income tax benefit amounting to 37 in the six-month period ended 30 June 2010

The current tax benefit which was recorded in the six-month period ended 30 June 2011 predominantly resulted from the refund to Global Graphics Software Limited of the research and development tax credit for the year ended 31 December 2010, which was received by that subsidiary in early April 2011 for 253.

(b) Deferred tax expense (benefit)

The following table provides an analysis of the deferred tax expenses (benefits) which were recorded in the quarters and the six-month periods ended 30 June 2011 and 2010, respectively:

In thousands of euros Unaudited and unreviewed figures	Quarter ended 30 June 2011	Quarter ended 30 June 2010	Six-month period ended 30 June 2011	Six-month period ended 30 June 2010
Arising from the capitalisation of development expenses (note 4b)	80	50	155	116
Arising from the amortisation of development expenses (note 4b)	(56)	(61)	(122)	(124)
Arising from the (de-)recognition of capital allowances (note 4c)	(4)	187	(13)	243
Arising from the write-back of the vacant lease provision (note 5b)	38	0	47	0
Other items	(3)	(55)	0	(55)
Deferred tax expense (benefit)	55	121	67	180

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

In thousands of euros Unaudited and unreviewed figures	Quarter ended 30 June 2011	Quarter ended 30 June 2010	Six-month period ended 30 June 2011	Six-month period ended 30 June 2010
Profit (loss) before income tax	15	(1,275)	(318)	(2,513)
Income tax expense (benefit) using the rate of 33.33%	5	(425)	(106)	(838)
Expense (benefit) attributable to:				
- Effect of differences of tax rates in foreign jurisdictions	(60)	(8)	12	118
- Effect of the recognition or utilisation of available capital allowances (note 4c)	(4)	187	(13)	243
- Effect of share-based plans (note 4d)	14	14	26	22
- Repayment of R&D tax credits (note 7a)	4	0	(253)	(120)
- Unrecognized tax losses	102	355	152	640
- Other items	7	63	14	78
Income tax expense (benefit)	68	186	(168)	143

(d) Recent and future reduction in the UK corporation tax rate

Any change in tax rates cannot be reflected in a company's consolidated accounts prepared in accordance with IFRSs unless the tax rate changes have been either enacted or substantively enacted on or before the relevant balance sheet date.

In the UK, substantive enactment occurs when the relevant Finance Act has passed through the House of Commons and is awaiting only passage through the House of Lords and Royal Assent, or a resolution having statutory effect has been passed under the Provisional Collection of Taxes Act 1968.

(i) Reduction of the UK corporation tax rate with effect from 1 April 2011

On 23 March 2011, the Chancellor of the Exchequer announced the reduction in the main rate of UK corporation tax from 27.0% to 26.0% with effect from 1 April 2011, which was an additional 1.0% in addition to the 1.0% reduction in the June 2010 Budget.

Given the late notice in such rate reduction applying from 1 April 2011, it has been legislatively necessary for the reduction to be included in a resolution which will be given effect under the Provisional Collection of Taxes Act 1968. Accordingly, the reduction in the UK corporation tax rate to 26.0% has been substantively enacted following the passing of the resolution on 29 March 2011.

(ii) Projected further reduction in the UK corporation tax rate

In his Budget on 23 March 2011, the Chancellor of the Exchequer also proposed changes to further reduce the main rate of UK corporation tax by 1.0% each year to 23.0% by 1 April 2014.

Such changes were not substantively enacted as at 30 June 2011 and were not considered when computing the deferred tax assets and liabilities at that date.

The effect on the Company's tax position of these additional reductions of the UK corporation tax rate will be reflected in the Company's consolidated accounts in future years, as appropriate, once the corresponding reductions have been enacted.

NOTE 8: EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share (EPS) are calculated by dividing the profit attributable to shareholders for a period by the weighted average number of ordinary shares outstanding during that period, after taking into account any free shares the grant of which has become final in the period or any newly issued shares resulting from the exercise of share options, as applicable.

The following table provides for the computation of the weighted average number of ordinary shares to be used for basic EPS computation in the quarters and the six-month periods ended 30 June 2011 and 2010, respectively:

(i) Computation for the quarters ended 30 June

Unaudited and unreviewed figures	2011	2010
Ordinary shares outstanding at 1 April (note 9a)	10,289,781	10,289,781
Own shares held by the Company at 1 April (note 10b)	(168,081)	(173,968)
Number of ordinary shares outstanding at 1 April to be used for basic EPS computation	10,121,700	10,115,813
Final grant of own shares during the quarters ended 30 June (note 10b)	0	1,818
Exercise of options during the quarters ended 30 June	0	0
Weighted average number of ordinary shares to be used for basic EPS computation in the quarters ended 30 June	10,121,700	10,117,631

(ii) Computation for the six-month periods ended 30 June

Unaudited and unreviewed figures	2011	2010
Ordinary shares outstanding at 1 January (note 9a)	10,289,781	10,289,781
Own shares held by the Company at 1 January (note 10b)	(168,081)	(173,968)
Number of ordinary shares outstanding at 1 January to be used for basic EPS computation	10,121,700	10,115,813
Final grant of own shares during the six-month periods ended 30 June (note 10b)	0	914
Exercise of options during the six-month periods ended 30 June	0	0
Weighted average number of ordinary shares to be used for basic EPS computation in the six-month periods ended 30 June	10,121,700	10,116,727

(b) Diluted earnings per share
Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.
The Company has only one category of dilutive potential ordinary shares: share options. Free shares which were granted on 29 July 2009 and 10 March 2011, as well as Matching Shares which were granted to participants to the Company’s Share Incentive Plan (see note 4d above), are not included in the calculation of diluted earnings per share since the conditions for the grant of these shares to become final were not satisfied as at 30 June 2011.
Since the average of the closing prices reported for the Company’s share during the quarter and the six-month period ended 30 June 2011 (being Euro 1.52 and Euro 1.47, respectively) were lower than the exercise price of all share options which were outstanding as at 30 June 2011 (see note 4d above), such share options were assumed not to have a dilutive effect for diluted EPS computation during such periods.
The following table provides for the computation of the weighted average number of ordinary shares to be used for diluted EPS computation in the quarters and the six-month periods ended 30 June 2011 and 2010, respectively:

(i) Computation for the quarters ended 30 June

Unaudited and unreviewed figures	2011	2010
Weighted average number of ordinary shares outstanding in the quarters ended 30 June	10,121,700	10,117,631
Adjustment for dilutive share options	0	0
Weighted average number of ordinary shares to be used for diluted EPS computation in the quarters ended 30 June	10,121,700	10,117,631

(ii) Computation for the six-month periods ended 30 June

Unaudited and unreviewed figures	2011	2010
Weighted average number of ordinary shares outstanding in the six-month periods ended 30 June	10,121,700	10,116,727
Adjustment for dilutive share options	0	0
Weighted average number of ordinary shares to be used for diluted EPS computation in the six-month periods ended 30 June	10,121,700	10,116,727

NOTE 9: SHARE CAPITAL AND SHARE PREMIUM

(a) Share capital
The number of outstanding, fully paid, ordinary shares of the Company, each of par value of Euro 0.40, was 10,289,781 as at 30 June 2011 as was also the case as at 31 December 2010, resulting in a share capital amounting to 4,116.

(b) Share premium

(i) Expenses relating to the Company's share-based remuneration plans
An amount of 4 was incurred in relation with the Company's share-based remuneration plans in the quarter and the six-month period ended 30 June 2011, and was offset against the share premium during that period (compared with an amount of 19 in the quarter and the six-month period ended 30 June 2010).

(ii) Expenses relating to grants of own shares
In accordance with the terms of the corresponding share grant plans, a total of 3,521 own shares held by the Company as treasury shares were granted to employees who were made redundant as part of the April 2010 reorganization plan in the quarter and the six-month period ended 30 June 2010 (see note 10b below).
The difference between the repurchase value of these shares (amounting to 25) and their value at grant date to these employees (being nil) was offset against the share premium in the quarter and the six-month ended 30 June 2010.

NOTE 10: OWN SHARES

(a) Repurchase of own shares
None of its own shares were repurchased by the Company in either of the quarters or the six-month periods ended 30 June 2011 or 2010.
As at 30 June 2011, as was already the case as at 31 December 2010, the total number of own shares held as treasury shares by the Company was 168,081, for a total repurchase value of 1,204.

(b) Grants of own shares
No final grant of shares was made by the Company in the quarter or the six-month period ended 30 June 2011, compared with a grant of 3,521 own shares to employees made redundant as part of the reorganization plan which was implemented in April 2010, in the quarter and the six-month period ended 30 June 2010, as set out in note 9b above.

NOTE 11: SEGMENT REPORTING

(a) Identification of operating and reportable segments

(i) Applicable rules
Management has identified operating segments give rise to reporting pursuant its review of those segments giving rise to reporting to the Company's CEO, who decides upon the best allocation of resources and monitors the operating and financial performance of each operating segment.
Two segments were identified, the Print segment for the printing software segment of the Company's business, and the eDoc segment for the electronic document software segment of the Company's business.
The performance of each of these segments is monitored by the Company's CEO based on their respective gross margin contribution.

(ii) Allocation of assets and liabilities to operating segments

Assets and liabilities, whether current or non-current, are allocated based on the operations of the reportable segments.

Goodwill existing at 1 January 2009 has been fully allocated to the Print segment as it relates to acquisitions of assets made in the area of printing software in the years ended 31 December 1999 and 2000.

Items such as deferred tax assets, current assets other than trade receivables, as well as current liabilities other than customer advances and deferred revenue, are not allocated to any of the Company's reportable segments.

(b) Analysis of the Company's sales

(i) Breakdown of sales by nature of products sold and services rendered

Both segments derive their revenue from the development and sale of software applications and/or solutions, and of related services such as customization, implementation, training, as well as support and maintenance.

The following table provides a breakdown of the Company's sales by nature of products sold and services rendered for those sales made in the quarters and the six-month periods ended 30 June 2011 and 2010, respectively:

In thousands of euros Unaudited and unreviewed figures	Quarter ended 30 June 2011	Quarter ended 30 June 2010	Six-month period ended 30 June 2011	Six-month period ended 30 June 2010
License royalties	1,810	1,721	3,604	3,295
Maintenance and support services	237	460	521	881
Engineering services	70	0	70	29
Total sales	2,117	2,181	4,195	4,205

(ii) Breakdown of sales based on the geographical location of customers

In thousands of euros Unaudited and unreviewed figures	Quarter ended 30 June 2011	Quarter ended 30 June 2010	Six-month period ended 30 June 2011	Six-month period ended 30 June 2010
France	1	9	2	10
Cont. Europe (excluding France)	159	107	561	274
United Kingdom	12	9	64	20
North America (USA and Canada)	1,243	1,735	2,543	3,205
Asia (including Japan)	692	318	979	688
Rest of the world	10	3	46	8
Total sales	2,117	2,181	4,195	4,205

(c) Sales and gross profit by business segment

(i) Quarter ended 30 June 2011

In thousands of euros Unaudited and unreviewed figures	Print segment	eDoc segment	Unallocated items	Total
Total segment sales	1,404	713	0	2,117
Inter-segment sales	0	0	0	0
Sales from external customers	1,404	713	0	2,117
Cost of sales	(56)	(38)	(12)	(106)
Gross profit	1,348	675	(12)	2,011

(ii) Quarter ended 30 June 2010

In thousands of euros Unaudited and unreviewed figures	Print segment	eDoc segment	Unallocated items	Total
Total segment sales	2,047	134	0	2,181
Inter-segment sales	0	0	0	0
Sales from external customers	2,047	134	0	2,181
Cost of sales	(51)	(27)	(13)	(91)
Gross profit	1,996	107	(13)	2,090

(iii) Six-month period ended 30 June 2011

In thousands of euros Unaudited and unreviewed figures	Print segment	eDoc segment	Unallocated items	Total
Total segment sales	3,058	1,137	0	4,195
Inter-segment sales	0	0	0	0
Sales from external customers	3,058	1,137	0	4,195
Cost of sales	(121)	(67)	(25)	(213)
Gross profit	2,937	1,070	(25)	3,982

(iv) Six-month period ended 30 June 2010

In thousands of euros Unaudited and unreviewed figures	Print segment	eDoc segment	Unallocated items	Total
Total segment sales	3,831	374	0	4,205
Inter-segment sales	0	0	0	0
Sales from external customers	3,831	374	0	4,205
Cost of sales	(130)	(57)	(17)	(204)
Gross profit	3,701	317	(17)	4,001

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

In thousands of euros Unaudited and unreviewed figures	Quarter ended 30 June 2011	Quarter ended 30 June 2010	Six-month period ended 30 June 2011	Six-month period ended 30 June 2010
Gross profit for reportable segments (note 11c)	2,011	2,090	3,982	4,001
Selling, gen. & admin. expenses	(1,071)	(1,523)	(2,169)	(3,122)
Research & development expenses	(1,097)	(1,375)	(2,298)	(2,779)
Net other operating income (expenses)	164	(382)	205	(394)
Net financing gains (losses) (note 6)	8	(85)	(38)	(219)
Profit (loss) before income tax	15	(1,275)	(318)	(2,513)

(e) Reconciliation of assets and liabilities

(i) As at 30 June 2011

In thousands of euros Unaudited figures	Print segment	eDoc segment	Unallocated items	Total
Non-current assets	9,427	1,754	600	11,781
Current assets	1,148	940	2,070	4,158
Total assets	10,575	2,694	2,670	15,939
Non-current liabilities	0	0	2	2
Current liabilities	363	350	1,243	1,956
Total liabilities	363	350	1,245	1,958

(ii) As at 31 December 2010

In thousands of euros	Print segment	eDoc segment	Unallocated items	Total
Non-current assets	9,779	1,899	662	12,340
Current assets	1,303	579	2,498	4,380
Total assets	11,082	2,478	3,160	16,720
Non-current liabilities	0	0	36	36
Current liabilities	147	423	1,334	1,904
Total liabilities	147	423	1,370	1,940

NOTE 12: RELATED PARTY TRANSACTIONS

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

(a) With the Company’s directors

The amount of board fees to be allocated among the Company’s directors which was recognized in each of the quarters ended 30 June 2010 and 2011 and in each of the six-month periods ended 30 June 2010 and 2011, were 15 and 30, respectively.

(b) With the Company’s executive officers

(i) Salaries and other short-term benefits

The executive directors received the following salaries and other short-term benefits (notably bonuses and pension scheme contributions) in the quarters and the six-month periods ended 30 June 2011 and 2010, respectively:

In thousands of euros Unaudited and unreviewed figures	Quarter ended 30 June 2011	Quarter ended 30 June 2010	Six-month period ended 30 June 2011	Six-month period ended 30 June 2010
Salaries	69	68	138	134
Other short-term benefits	5	4	80	56
Total salaries and other short-term benefits	74	72	218	190

(ii) Share-based compensation plans

Executive officers are entitled to participate in the Company’s share option and share grant schemes.

As indicated in note 4d above, on 10 March 2011, 36,000 and 4,000 free shares were granted to Messrs. Gary Fry and Alain Pronost, respectively.
The portions of the share-based compensation expenses which were attributable to the Company's executive officers and were recorded in the quarters and the six-month periods ended 30 June 2011 and 2010, respectively, were as follows:

In thousands of euros Unaudited and unreviewed figures	Quarter ended 30 June 2011	Quarter ended 30 June 2010	Six-month period ended 30 June 2011	Six-month period ended 30 June 2010
Relating to share option grants	18	18	36	36
Relating to share grants	4	0	5	0
Total	22	18	41	36

(c) With a company which is managed by one of the Company's directors
In its meeting on 16 December 2009, approval was given by the Company's Board of Directors to two agreements with Andlinger & Co. CVBA, a Belgium-based company which is managed by Mr. Johan Volckaerts.
The purpose of these agreements was to provide that the Company would:
- be entitled to use a meeting room and related services in Brussels, against the payment of a fee amounting to Euro 1,500 each quarter; and
- be provided with advice regarding its business and sales strategy, against the payment of a fee amounting to Euro 6,000 per month, which was increased to Euro 6,500 per month from 1 February 2011 as voted by the Board on 8 February 2011.
The corresponding amounts which were expensed by the Company were 21 and 20 in the quarters ended 30 June 2011 and 2010, respectively, and 42 and 39 in the six-month periods ended 30 June 2011 and 2010, respectively.

NOTE 13: SUBSIDIARIES
These condensed consolidated interim financial statements for the quarters and the six-month periods ended 30 June 2011 and 2010, respectively, include the accounts of the following companies:

	Country of incorporation	% of ownership 2011	% of ownership 2010
Global Graphics (UK) Limited	United Kingdom	100	100
Global Graphics Software Limited	United Kingdom	100	100
Jaws Systems Limited	United Kingdom	100	100
Global Graphics Software Incorporated	United States	100	100
Global Graphics Kabushiki Kaisha	Japan	100	100
Global Graphics Software (India) Private Limited	India	100	100
Global Graphics EBT Limited	United Kingdom	100	100

Global Graphics Software (India) Private Limited has been dormant since April 2010 and is currently under liquidation.
The results for Global Graphics EBT Limited have been included in the Company's condensed consolidated financial statements for the six-month period ended 30 June 2010 from 3 February 2010, which was the inception of that subsidiary.

NOTE 14: SUBSEQUENT EVENTS

No significant subsequent events were to be reported as at 30 June 2011.

GLOBAL GRAPHICS SA AND SUBSIDIARIES
ADJUSTED FINANCIAL INFORMATION PREPARED BY MANAGEMENT

NOTE 1: BASIS OF PREPARATION OF ADJUSTED FINANCIAL INFORMATION

The Company's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) and related interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union (EU).
However, management of the Company it believes that evaluating the Company's ongoing results may not be as useful if an investor is limited to reviewing only IFRS financial measures, notably because management of the Company uses adjusted financial information to evaluate its ongoing operations as well as for internal planning and forecasting purposes.
To prepare adjusted financial information, management of the Company complies with the principles set in the Recommendation on Alternative Performance Measures which was issued by the Committee of European Securities Regulators in October 2005.
The Company's management does not itself, nor does it suggest that investors should, consider such adjusted financial measures in isolation from, or as a substitute for, financial information prepared in accordance with IFRSs.
The Company presents adjusted financial measures in reporting its financial results to provide investors with an additional tool to evaluate the Company's results in a manner that focuses on what the Company believes to be its ongoing business operations.
The Company's management believes that the inclusion of adjusted financial measures provides consistency and comparability with past reports of financial information and has historically provided comparability to similar companies in the Company's industry, many of which present the same or similar adjusted financial measures to investors.
As a result, investors are encouraged to review the related IFRS financial measures and the reconciliation of these adjusted financial measures to the most directly comparable IFRS financial measures as detailed above.

NOTE 2: INFORMATION ON ADJUSTMENTS MADE TO REPORTED NUMBERS

The purpose of the following adjustments, which are made to reported numbers with respect of the Company's operating, pre-tax, and net profit (loss), is to provide additional information to measure the Company's performance.

(a) Share-based remuneration expense

In accordance with applicable provisions of IFRS 2, Share-based payments, an expense is recognized in the Company's consolidated financial statements with respect of share-based remuneration plans, regardless of any change in the number of outstanding shares of the Company pursuant to the exercise of share options, or before the grant of shares to employees of the Company becomes final.
As a result, management of the Company believes it is appropriate to adjust the Company's operating profit (loss) reported under IFRSs of such expense to provide a relevant measure of the Company's operating performance.

(b) Capitalization and amortization of eligible software development expenses

Costs relating to development projects (consisting of employee costs) which meet all of the criteria set out under paragraphs 57 to 62 of IAS 38, Intangible Assets, are capitalized, and are subsequently amortized over the estimated useful life of the corresponding development project.

Considering the level of judgment required to assess whether a given development project may be eligible to such capitalization, and also to set the duration of the useful life of such project, management of the Company believes it is appropriate to adjust the Company's operating profit (loss) reported under IFRSs of such amounts to provide a relevant measure of the Company's operating performance.

(c) Other operating expenses and other operating income
Certain items of operating expenses and income were disclosed separately in the Company's condensed consolidated statement of income in an attempt to provide appropriate information on the Company's operating performance for the year ended 31 December 2010, as well as a meaningful basis of comparison with amounts which will be reported in comparative periods in the year ending 31 December 2011.

(d) Unusual, abnormal and infrequent items of income and expense
In accordance with provisions of Paragraph 97 of IAS 1 (revised), Presentation of Financial Statements, unusual, abnormal and infrequent items of income and expense have to be disclosed in a separate note, in an attempt to improve the predictive value of the consolidated statement of income (loss).
Management of the Company believes that the most appropriate way of achieving this is to adjust the Company's operating profit (loss) reported under IFRSs of such items to provide the user of the Company's financial information with a consistent base of comparison, excluding the effect of such items.

NOTE 3: ADJUSTED FINANCIAL INFORMATION COMPUTATION

(a) Adjusted operating profit (loss) computation

In thousands of euros Unaudited and unreviewed figures	Quarter ended 30 June 2011	Quarter ended 30 June 2010	Six-month period ended 30 June 2011	Six-month period ended 30 June 2010
Reported operating profit (loss)	7	(1,190)	(280)	(2,294)
Add back (deduct):				
- Share-based remuneration expenses (note 4d)	42	40	77	65
- Effect of the capitalization of development expenses (note 4b)	(305)	(179)	(576)	(416)
- Amort. of capitalized development expenses (note 4b)	222	219	452	444
- Other operating expenses (note 5a)	0	382	0	394
- Other operating income (note 5b)	(164)	0	(205)	0
Total adjustments to reported operating profit (loss)	(205)	462	(252)	487
Adjusted operating profit (loss)	(198)	(728)	(532)	(1,807)
In % of the period's sales	-9.4%	-33.4%	-12.7%	-43.0%

(b) Adjusted pre-tax profit (loss) computation

In thousands of euros Unaudited and unreviewed figures, except per share data in euro	Quarter ended 30 June 2011	Quarter ended 30 June 2010	Six-month period ended 30 June 2011	Six-month period ended 30 June 2010
Reported pre-tax profit (loss)	15	(1,275)	(318)	(2,513)
Add back (deduct):				
- Share-based remuneration expenses (note 4d)	42	40	77	65
- Effect of the capitalization of development expenses (note 4b)	(305)	(179)	(576)	(416)
- Amort. of capitalized development expenses (note 4b)	222	219	452	444
- Other operating expenses (note 5a)	0	382	0	394
- Other operating income (note 5b)	(164)	0	(205)	0
- Accretion of the vacant lease provision (note 5b)	18	0	26	0
Total adjustments to reported pre-tax profit (loss)	(187)	462	(226)	487
Adjusted pre-tax profit (loss)	(172)	(813)	(544)	(2,026)
Adjusted pre-tax EPS (i)	(0.02)	(0.08)	(0.05)	(0.20)
Adjusted pre-tax diluted EPS (ii)	(0.02)	(0.08)	(0.05)	(0.20)

(i) Adjusted pre-tax EPS is computed by dividing the adjusted pre-tax profit (loss) for a given reporting period by the weighted average number of ordinary shares which were outstanding during that period, i.e. 10,121,700 and 10,117,631 shares for the quarters ended 30 June 2011 and 2010, respectively, and 10,121,700 and 10,116,727 shares for the six-month periods ended 30 June 2011 and 2010, respectively.

(ii) Adjusted pre-tax diluted EPS is computed by dividing the adjusted pre-tax profit (loss) for a given reporting period by the weighted average number of ordinary shares to be used for diluted EPS computation during that period, as required by IAS 33, Earnings per share, i.e. 10,121,700 and 10,117,631 shares for the quarters ended 30 June 2011 and 2010, respectively, and 10,121,700 and 10,116,727 shares for the six-month periods ended 30 June 2011 and 2010, respectively.

(c) Adjusted net profit (loss) computation

In thousands of euros Unaudited and unreviewed figures, except per share data in euro	Quarter ended 30 June 2011	Quarter ended 30 June 2010	Six-month period ended 30 June 2011	Six-month period ended 30 June 2010
Reported net profit (loss)	(53)	(1,461)	(150)	(2,656)
Add back (deduct):				
- Share-based remuneration expenses (note 4d)	42	40	77	65
- Net effect of the capitalization of development expenses (note 4b)	(83)	40	(124)	28
- Net effect of other operating expenses (income)	(164)	382	(205)	394
- Accretion of the vacant lease provision (note 5b)	18	0	26	0
- Tax effect of abovementioned adjustments	59	(11)	80	(8)
Total adjustments to reported net profit (loss)	(128)	451	(146)	479
Adjusted net profit (loss)	(181)	(1,010)	(296)	(2,177)
Adjusted net EPS (i)	(0.02)	(0.10)	(0.03)	(0.22)
Adjusted net diluted EPS (ii)	(0.02)	(0.10)	(0.03)	(0.22)

(i) Adjusted net EPS is computed by dividing the adjusted net profit (loss) for a given reporting period by the weighted average number of ordinary shares which were outstanding during that period, i.e. 10,121,700 and 10,117,631 shares for the quarters ended 30 June 2011 and 2010, respectively, and 10,121,700 and 10,116,727 shares for the six-month periods ended 30 June 2011 and 2010, respectively.

(ii) Adjusted net diluted EPS is computed by dividing the adjusted net profit (loss) for a given reporting period by the weighted average number of ordinary shares to be used for diluted EPS computation during that period, as required by IAS 33, Earnings per share, i.e. 10,121,700 and 10,117,631 shares for the quarters ended 30 June 2011 and 2010, respectively, and 10,121,700 and 10,116,727 shares for the six-month periods ended 30 June 2011 and 2010, respectively.

GLOBAL GRAPHICS SA AND SUBSIDIARIES
CONDENSED MANAGEMENT REPORT OF THE COMPANY'S BOARD OF DIRECTORS
FOR THE QUARTER AND THE SIX-MONTH PERIOD ENDED 30 JUNE 2011
Translation of the French language original

Pursuant to the transposition under article L.451-1-2 of the French Monetary and Financial Code of the EU Directive 2004/109/CE of the European Parliament and of the Council of 15 December 2004 (the 'Transparency Directive'), we present to you the condensed management report of the Parent's Board of Directors for the quarter and the six-month period ended 30 June 2011.
This condensed management report was authorized for issue by the Parent's Board of Directors on 27 July 2011.

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

(a) Structure of the Company at 30 June 2011
For further details on this, please refer to note 13 to the Company's condensed consolidated interim financial statements as at and for the quarter and the six-month period ended 30 June 2011.

(b) Changes in the Company's structure since 1 July 2011
No change has occurred in the Company's structure since 1 July 2011; Global Graphics Software (India) Private Limited has been dormant since late April 2010 and under liquidation since early May 2010.

NOTE 2: MANAGEMENT DISCUSSION OF CONSOLIDATED FINANCIAL RESULTS
The Company prepares its condensed consolidated interim financial statements in accordance with IAS 34, Interim Financial Reporting, and more generally with International Financial Reporting Standards (IFRSs) as well as related interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union (EU).
Amounts indicated hereafter are presented in euros (which is the reporting currency of the Company), rounded to the nearest thousand, unless otherwise specified.

(a) Quarter ended 30 June 2011

(i) Sales analysis
Sales were 2,117 in the quarter ended 30 June 2011, compared with 2,181 in the same quarter of the year ended 31 December 2010, or a sequential decrease of 2.9% at current exchange rates.
Approximately 64.1% of the Company's sales made in the quarter ended 30 June 2011 were denominated in US dollars, which sequentially decreased versus the euro, since the average euro/US dollar rate was 1.438 in the quarter ended 30 June 2011, while it was 1.264 in the second quarter of the year ended 31 December 2010, or a sequential decrease of 12.1%.
At constant exchange rates, sales made in the quarter ended 30 June 2011 would have amounted to approximately 2,320, showing an increase of 6.4% over the figure reported for sales in the second quarter of the year ended 31 December 2010.
Sales made in the Print segment were 1,404 in the quarter ended 30 June 2011, and showed a decrease of 31.4% at current exchange rates and of 23.1% at constant exchange rates, over the 2,047 figure reported for sales made in the same segment of the Company's business in the second quarter of the year ended 31 December 2010.

Sales made in the graphic arts market were 615 in the quarter ended 30 June 2011 and showed a decrease of 29.7% at current exchange rates and of 20.1% at constant exchange rates over the 875 figure reported for sales made in that market in the second quarter of the year ended 31 December 2010.
Sales made in the digital printing market were 789 in the quarter ended 30 June 2011 and decreased 32.7% at current exchange rates and 25.3% at constant exchange rates over the 1,172 figure reported for sales made in that market in the second quarter of the year ended 31 December 2010.
Sales made in the eDoc segment were 713 in the quarter ended 30 June 2011, and showed an increase of 432.1% at current exchange rates and of 456.0% at constant exchange rates over the 134 figure reported for sales made in the same segment of the Company’s business in the second quarter of the year ended 31 December 2010.

(ii) Performance analysis

Operating profit
The Company reported an operating profit of 7 in the quarter ended 30 June 2011 (or 0.3% of the quarter’s sales), compared with an operating loss of 1,190 in the second quarter of the year ended 31 December 2010 (or 54.6% of that quarter’s sales), or a favorable, sequential variance of 1,197, which can be analyzed as follows:
- sales decreased by 64, as set out in note 2a (i) above;
- cost of sales was 106 in the quarter ended 30 June 2011 (5.0% of the quarter’s sales), compared with 91 in the second quarter of the year ended 31 December 2010 (4.2% of that quarter’s sales), or an unfavorable variance of 15;
- selling, general and administrative expenses totaled 1,071 in the quarter ended 30 June 2011 (50.6% of the quarter’s sales), showing a sequential decrease of 452 (i.e. of 29.7%) over the 1,523 figure reported for such expenses in the second quarter of the year ended 31 December 2010 (69.8% of that quarter’s sales);
- research & development expenses totaled 1,097 in the quarter ended 30 June 2011 (51.8% of the quarter’s sales) showing a sequential decrease of 278 (i.e. of 20.2%) over the 1,375 figure reported for such expenses in the second quarter of the year ended 31 December 2010 (63.0% of that quarter’s sales): such expenses included a profit of 83 with respect of the effect, after amortization, of the capitalization of eligible development expenses relating to the development projects for which all criteria for such capitalization were met, compared with an expense of 40 in the second quarter of the year ended 31 December 2010 (please refer to note 4b to the Company’s condensed consolidated interim financial statements as at and for the quarter and the six-month period ended 30 June 2011 for further details on this);
- there were no other operating expenses in the quarter ended 30 June 2011, compared with total expenses of 382 in the second quarter of the year ended 31 December 2010;
- other operating income amounted to 164 in the quarter ended 30 June 2011, and resulted from the write-back of the balance of the provision which was recorded at 31 December 2010 with respect of the unused portion of the building leased by the Company in Cambourne (please refer to note 5b to the Company’s condensed consolidated interim financial statements as at and for the quarter and the six-month period ended 30 June 2011 for further details on this).

Profit before income tax
The Company reported a profit before income tax of 15 in the quarter ended 30 June 2011 (or 0.7% of the quarter’s sales), compared with a loss before income tax of 1,275 in the second quarter of the year ended 31 December 2010 (or 58.5% of that quarter’s sales), or a favorable variance of 1,290 which resulted from the combination of:
- the sequential decrease of the operating loss for 1,197, as discussed above;

- the decrease in interest income of 2 over the 3 figure reported for interest income in the second quarter of the year ended 31 December 2010;
- the cost of unwinding the discount of the provision for vacant lease as discussed above, resulting in an estimated interest charge of 18 in the quarter ended 30 June 2011; and
- the favorable effect of foreign currency exchange differences, which were gains of 25 in the quarter ended 30 June 2011, compared with losses of 88 in the second quarter of the year ended 31 December 2010, or a favorable variance of 113.

Net loss
The Company reported a net loss of 53 in the quarter ended 30 June 2011 (or a net loss of Euro 0.01 per share) after giving effect to an income tax expense of 68 (including a current income tax expense of 13 and a deferred tax expense of 55), compared with a net loss of 1,461 in the second quarter of the year ended 31 December 2010 (or a net loss of Euro 0.14 per share).

(b) Six-month period ended 30 June 2011

(i) Sales analysis
Sales were 4,195 in the six-month period ended 30 June 2011, compared with 4,205 in the six-month period ended 30 June 2010, or a sequential decrease of 0.2% at current exchange rates.
Approximately 75.4% of the Company's sales made in the six-month period ended 30 June 2011 were denominated in US dollars, which sequentially decreased versus the euro, since the average euro/US dollar rate was 1.393 in the six-month period ended 30 June 2011, while it was 1.318 in the six-month period ended 30 June 2010, or a sequential decrease of 5.4%.
At constant exchange rates, sales made in the six-month period ended 30 June 2011 would have amounted to approximately 4,346, showing an increase of 3.4% over the figure reported for sales in the six-month period ended 30 June 2010.
Sales made in the Print segment were 3,058 in the six-month period ended 30 June 2011, and showed a decrease of 20.2% at current exchange rates and of 16.4% at constant exchange rates, over the 3,831 figure reported for sales made in the same segment of the Company's business in the six-month period ended 30 June 2010.
Sales made in the graphic arts market were 1,431 in the six-month period ended 30 June 2011 and showed a decrease of 9.3% at current exchange rates and of 4.9% at constant exchange rates over the 1,578 figure reported for sales made in that market in the six-month period ended 30 June 2010.
Sales made in the digital printing market were 1,627 in the six-month period ended 30 June 2011 and decreased 27.8% at current exchange rates and 24.5% at constant exchange rates over the 2,253 figure reported for sales made in that market in the six-month period ended 30 June 2010.
Sales made in the eDoc segment were 1,137 in the six-month period ended 30 June 2011, and showed an increase of 204.0% at current exchange rates and of 205.6% at constant exchange rates over the 374 figure reported for sales made in the same segment of the Company's business in the six-month period ended 30 June 2010.

(ii) Performance analysis

Operating loss
The Company reported an operating loss of 280 in the six-month period ended 30 June 2011 (or 6.7% of the period's sales), compared with an operating loss of 2,294 in the six-month period ended 30 June 2010 (or 54.6% of that period's sales), or a favorable, sequential variance of 2,014, which can be analyzed as follows:
- sales decreased by 10, as set out in note 2b (i) above;

- cost of sales was 213 in the six-month period ended 30 June 2011 (5.1% of the period's sales), compared with 204 in the six-month period ended 30 June 2010 (4.9% of that period's sales), or an unfavorable variance of 9;
- selling, general and administrative expenses totaled 2,169 in the six-month period ended 30 June 2011 (51.7% of the period's sales), showing a decrease of 953 (i.e. of 30.5%) over the 3,122 figure reported for such expenses in the six-month period ended 30 June 2010 (74.2% of that period's sales;
- research & development expenses totaled 2,298 in the six-month period ended 30 June 2011 (54.8% of the period's sales) showing a sequential decrease of 481 (i.e. of 17.3%) over the 2,779 figure reported for such expenses in the six-month period ended 30 June 2010 (66.1% of that quarter's sales): such expenses included a benefit of 124 with respect of the effect, after amortization, of the capitalization of eligible development expenses relating to the development projects for which all criteria for such capitalization were met, compared with an expense of 28 in the six-month period ended 30 June 2010 (please refer to note 4b to the Company's condensed consolidated interim financial statements as at and for the quarter and the six-month period ended 30 June 2011 for further details on this);
- there were no other operating expenses in the six-month period ended 30 June 2011, compared with total expenses of 394 in the six-month period ended 30 June 2010;
- other operating income amounted to 205 in the six-month period ended 30 June 2011, and resulted from the write-back of the balance of the provision which was recorded at 31 December 2010 with respect of the unused portion of the building leased by the Company in Cambourne (please refer to note 5b to the Company's condensed consolidated interim financial statements as at and for the quarter and the six-month period ended 30 June 2011 for further details on this).

Loss before income tax

The Company reported a loss before income tax of 318 in the six-month period ended 30 June 2011 (or 7.6% of the period's sales), compared with a loss before income tax of 2,513 in the six-month period ended 30 June 2010 (or 59.8% of that period's sales), or a favorable variance of 2,195 which resulted from the combination of:
- the sequential decrease of the operating loss for 2,014, as discussed above;
- the decrease in interest income of 3 over the 6 figure reported for interest income in the six-month period ended 30 June 2010;
- the cost of unwinding the discount of the provision for vacant lease as discussed above, resulting in an estimated interest charge of 26 in the six-month period ended 30 June 2011; and
- the favorable effect of foreign currency exchange differences, which were losses of 15 in the six-month period ended 30 June 2011, compared with losses of 225 in the six-month period ended 30 June 2010, or a favorable variance of 210.

Net loss

The Company reported a net loss of 150 in the six-month period ended 30 June 2011 (or a net loss of Euro 0.01 per share) after giving effect to an income tax benefit of 168 (including a current income tax benefit of 235 and a deferred tax expense of 67), compared with a net loss of 2,656 in the six-month period ended 30 June 2010 (or a net loss of Euro 0.26 per share).

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

(a) Salient features by the Company's Chief Executive Officer (CEO)

(i) Operational highlights

Gary Fry, Global Graphics' Chief Executive Officer said: "the second quarter has been stable financially and that has allowed us to continue our exciting programme into our three market segments.

Production printing
In the production printing market segment, we have been finalizing new technology releases for digital and traditional printing applications.
Both are due to be released in the third quarter of this year and we are pleased to see that our initial expectations on performance and quality have been exceeded. These innovations will enable us to continue to win new customers in digital print.

Office printing
In the office printing market segment, we released our alpha code to the growing list of manufacturers who are evaluating our mobile print solution.
The beta evaluation will be released in third quarter of this year, and with that, plans to capitalize on the growth opportunities of what is an emerging market.

Electronic document
Our growth plans in the electronic document market segment are looking strong as our existing partners, such as Corel, roll out their sales and marketing activity.
The latest addition to our portfolio of OEM software will go into beta in the third quarter of this year and will be rolled out through our partners to a number of blue-chip organizations.

In the quarter ended 30 June 2011, we have continued to recruit exciting new talent into Global Graphics' development and QA teams in Cambridge.
However, this will not increase our cost base, mostly because we have reallocated corresponding costs from the closure of our offshore facility in India.

(ii) Financial highlights for the six-month period ended 30 June 2011

Financial performance
Sales amounted to 4,195 in the six-month period ended 30 June 2011, showing a 2.3% decrease at current exchange rates, but an increase of 3.4% at constant exchange rates with the 4,205 figure reported for sales in the six-month period ended 30 June 2010.
Sales made in the Print segment of the Company's business continued to be slow, particularly those made in the digital printing market this quarter, resulting in a decrease of 16.4% at constant exchange rates over sales made in the same segment of the Company's business in the six-month period ended 30 June 2010.
Sales made in the eDoc segment of the Company's business increased 205.6% at constant exchange rates over sales made in the same segment of the Company's business in the six-month period ended 30 June 2010.

Operating expenses were 4,262 in the six-month period ended 30 June 2011, compared with 6,295 in the six-month period ended 30 June 2010, or a sequential decrease of 32.3% at current exchange rates. Such decrease predominantly resulted from an ongoing, lower operating expense base pursuant to the reorganization plan which was undertaken by the Company in April 2010.

The Company reported an adjusted operating loss of 532 in the six-month period ended 30 June 2011 (or an adjusted operating loss equal to 12.7% of the period's sales), compared with an adjusted operating loss of 1,807 in the six-month ended 30 June 2010 (or an adjusted operating loss equivalent to 43.0% of that period's sales).

The Company reported an adjusted pre-tax loss of 544 (or an adjusted pre-tax loss of Euro 0.05 per share) in the six-month period ended 30 June 2011, compared with an adjusted pre-tax loss of 2,026 (or an adjusted pre-tax loss of Euro 0.20 per share) in the six-month period ended 30 June 2010.

The Company reported an adjusted net loss of 296 (or an adjusted net loss of Euro 0.03 per share) in the six-month period ended 30 June 2011, compared with an adjusted net loss of 2,177 (or an adjusted net loss of Euro 0.22 per share) in the six-month period ended 30 June 2010.

Cash flows for the six-month period ended 30 June 2011
Net cash flows provided by the Company's operations was 265 in the six-month period ended 30 June 2011 (or 6.3% of the period's sales), compared with net cash flows used by the Company's operations of 1,828 in the six-month period ended 30 June 2010 (or 43.5% of that period's sales).
Cash balances available at 1 January 2011 (which amounted to 1,869) allowed the Company to fund these operating requirements as well as its capital expenditures incurred in the six-month period ended 30 June 2011, either on property, plant and equipment for 65, or those resulting from the capitalization of development expenses (see note 2b above) which totaled 576 in the six-month period ended 30 June 2011, and to close the period with a net cash position of 1,396.

(b) Prospects for the remainder of the year by the Company's CEO

Global Graphics continues to produce innovative ideas across all three of its market segments.
Feedback from our partners and our new customers provides me with a very exciting outlook going forward. Our technology skills and innovation, along with our valuable partnerships, continue to give Global Graphics a strong platform for growth.

NOTE 4: SIGNIFICANT OPERATIONAL AND FINANCIAL RISK FACTORS

(a) Significant operational risk factors

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

(ii) Failure to manage a successful transition to new products and markets

The Company has historically derived a significant portion of its revenues from the sale of new and enhanced software products (such as Raster Imaging Processors or RIPs). Any delays or failures in developing new products, including upgrades of current products, and anticipating changing customer requirements or market conditions, may have a harmful impact on the Company's sales and operating results.

Additionally, the Company plans to continue to release numerous new product offerings and upgrade versions of its current software products, including the transition of its RIP product to new variants (e.g. host driver and embedded variants) and new operating systems releases, pursuant to the launch of Windows 7, and in connection with the transition to new markets, such as those for its Electronic Document Library (EDL) technology or its range of gDoc applications.

The Company's inability to extend its core technologies into new applications and new platforms and to anticipate or respond to technological changes and customer or market requirements could affect market acceptance of its products and could cause a decline in the Company's sales and results.

(iii) Inadequate protection of proprietary technology and IP rights

The Company's success is heavily dependent upon its proprietary technology. To protect its proprietary rights, the Company relies on a combination of patent, copyright, trade secret and trademark laws, as well as the early implementation and enforcement of non-disclosure and other contractual restrictions. As part of its confidentiality procedures, the Company enters into written non-disclosure agreements with its employees, prospective customers, OEMs and strategic partners and takes affirmative steps to limit access to, and distribution of, its software, intellectual property (IP) and other proprietary information.

Despite these efforts, in the event such agreements are not timely made, complied with or enforced, the Company may be unable to effectively protect its proprietary rights and the enforcement of its proprietary rights may be cost-prohibitive. Unauthorized parties may attempt to copy or otherwise obtain, distribute, or use the Company's products or technology. Monitoring unauthorized use of the Company's software products is difficult.

Management of the Company cannot be certain that steps taken to prevent unauthorized use of the Company's proprietary technology, particularly in countries where the laws may not protect proprietary rights as fully as in the EU or the United States, will be effective.

The Company's source code also is protected as a trade secret. However, from time to time, the Company licenses its source code to OEMs and partners, which subjects it to the risk of unauthorized use or misappropriation despite the contractual terms restricting disclosure, distribution, copying and use.

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

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

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

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

Intellectual property disputes and litigation are typically costly and can be disruptive to the Company’s business operations by diverting the attention and energies of management and key technical personnel. Although the Company has successfully defended or resolved past litigation and disputes, it may not prevail in any future litigation and disputes.
Third-party intellectual property rights could subject the Company to significant expenditures, require the Company to enter into royalty and licensing agreements on unfavorable terms, prevent the Company from licensing certain of its products, cause disruption to the markets where the Company operates or require the Company to satisfy indemnification commitments with its customers including contractual provisions under various license arrangements any one of which could harm the Company’s business.

(v) Fluctuating operating results and factors affecting operating results
As a result of a variety of factors discussed above, the Company’s sales and operating results for a particular period are difficult to predict. The Company’s sales may grow at a slower rate than experienced in previous periods, and, in some periods, may decline.
Additionally, the Company periodically provides guidance on its future sales and results. Such guidance reflects a number of assumptions, including assumptions about product pricing and demand, seasonal trends, competitive factors, and adoption of new products or releases of existing products. If one or more of these assumptions proves incorrect, the Company’s actual results may vary materially from those anticipated, estimated or projected.

(vi) Adverse economic conditions
The current worldwide economic downturn has reduced and is likely to continue to affect capital expenditures made by customers of the Company’s customers’ products, notably in the Print segment of its business. Reduced sales by the Company’s customers hurt its business by reducing demand for its products.
Moreover, if the Company’s customers are not successful in generating sufficient sales or are precluded from securing financing, they may not be able to pay, or may delay payment of, amounts receivable by the Company and also modify, delay or cancel plans to purchase the Company’s products, which will have an adverse effect on its sales. In addition, the Company’s operating expenses could increase due to, among other things, salary increases, resulting in a harmful effect on the Company’s results and financial condition.
When preparing the Company’s consolidated financial statements, management is required to make estimates and assumptions that affect amounts in these financial statements and accompanying notes, some of which are based on forecasts of future results.
The current worldwide economic downturn and the resulting higher volatility increases the risk that the Company’s actual results will differ materially from management forecasts, requiring adjustments in future consolidated financial statements.
See also note 4c below for a discussion on risks associated with the use of accounting estimates and forecasts.

(vii) Recruitment and retention of key personnel
An important part of the Company’s future success depends on the continued service and availability of the Company’s senior management, including its CEO and other members of the executive team. These individuals have acquired specialized knowledge and skills with respect to the Company. The loss of any of these individuals could harm the Company’s business.

The Company's business is also dependent on its ability to attract, retain, and motivate talented, highly skilled personnel, notably in the development and technical support areas. Such personnel are in high demand and competition for their talents is intense. Should the Company be unable to continue to successfully attract and retain key personnel, its business may be harmed.

(b) Significant financial risk factors

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

(i) Foreign exchange risk

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

- Risk arising from future commercial transactions and balance sheet items

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

However, no such contracts were outstanding at either 30 June 2011 or 31 December 2010: as a result, the Company did not record any exchange gain or loss with respect of such contracts in the six-month period ended 30 June 2011, compared with a loss of 115 in the six-month period ended 30 June 2010.

- Risk arising from net investments in foreign subsidiaries

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

Please refer to note 6 to the Company's condensed consolidated interim financial statements for the quarter and the six-month period ended 30 June 2011 for further details on foreign currency exchange differences for those periods.

(ii) Credit risk

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

As it markets and sells its products and services to a broad base of customers including OEM partners, distributors, and system integrators, the Company has no significant concentration of credit risk though relatively few customers accounted for a substantial portion of the Company's sales within the last few years as a result of the dominance of a limited number of significant players in the Company's markets.

The ten major customers represented approximately 60.6% of the Company's sales in the six-month period ended 30 June 2011 (compared with 61.4% in the same period of 2010 and with 64.1% for the whole of 2010); approximately 44.1% of sales were made with the five largest customers of the Company in the six-month period ended 30 June 2011 (compared with 40.4% for the same period of 2010, and with 45.1% for the whole of 2010), and approximately 11.4% with the major customer alone in the six-month period ended 30 June 2011 (compared with 14.1% in the same period of 2010 and with 16.8% for the whole of 2010).

(iii) Liquidity risk

Due to the dynamic nature of its business, the Company aims to maintain flexibility for financing its activities by keeping committed credit lines available.

However, considering the Company's net cash position of 1,396 and the absence of any financial debt as at 30 June 2011, the Company did not apply for any such lines of credit in the quarter and the six-month period ended 30 June 2011.

(iv) Cash-flow interest-rate risk

As the Company had no significant interest-bearing assets and liabilities at either 30 June 2011 or 31 December 2010, the Company's income and operating cash flows for the quarter and the six-month period ended 30 June 2011 were substantially independent of changes in market interest rates.

Please refer to note 6 to the Company's condensed consolidated interim financial statements for the quarter and the six-month period ended 30 June 2011 for further details on interest income and expenses for those periods.

(c) Other significant risk factors

(i) Use of accounting estimates and of forecasts

The preparation of financial statements in accordance with IFRSs requires the use of certain critical accounting estimates and forecasts. It also requires management to exercise judgement in the process of applying the Company's accounting policies, and to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses.

The estimates and underlying assumptions are based on historical experience and various other relevant factors (including projected future sales and related cash inflows either from established software products such as RIP software in the Print segment of the Company's business, or from recently launched software applications such as gDoc Fusion, the adoption of which is expected by the Company's management to sequentially grow at a significant pace over time) that are believed to be reasonable under the circumstances, the results of which form the basis of making management's judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period and future periods if the revision affects both current and future periods.

Please refer to notes 4a (ii) and 4c (ii) to the Company's condensed consolidated interim financial statements for the quarter and the six-month period ended 30 June 2011 for further information on critical accounting estimates and the use of sales and cash flow forecasts, as well as the risks attached to them, the downward revisions of which may principally affect the carrying value of goodwill and other intangible assets (including those resulting from the capitalization of development costs) as well as of deferred tax assets.

(ii) Future changes in, or interpretations of, accounting principles

As noted in note 2a to the Company's condensed consolidated interim financial statements for the quarter and the six-month period ended 30 June 2011, the Company prepares its consolidated financial statements in accordance with IFRSs, as amended from time to time, and related interpretations issued by the IASB, as adopted by the EU.

Accordingly, changes to these standards by the IASB or delays in the adoption of newly adopted standards by the EU, may have a significant effect on the Company's reported results and may even retroactively affect previously reported transactions or periods.

Accounting principles used by the Company that may be affected by recently issued exposure drafts notably include the following:
- The exposure draft on income tax, which was published for public comments by the IASB on 31 March 2009, outlined proposed changes to the method of accounting for income tax. The project started as a convergence project with US GAAP; however, in the light of responses to that exposure draft, the IASB's Board has narrowed the scope of the project, which resulted in certain amendments to the existing standard, IAS 12, Income Taxes in December 2010. The IASB hinted that more fundamental changes to accounting for income taxes will be considered after 2011.
- The exposure draft, Revenue from Contracts with Customers, which was published for public comment by the IASB and the FASB on 24 June 2010, outlined the IASB's intent to publish a final standard on revenue recognition no later than June 2011 to supersede the existing two standards on revenue recognition: IAS 11, Construction Contracts, and IAS 18, Revenue, as well as related interpretations. On 15 June 2011, the IASB and the FASB issued a joint press release confirming that a new exposure draft would be issued for comments during the third quarter of 2011, the objective being to issue a new standard in the course of the year ending 31 December 2012.

NOTE 5: RELATED PARTY TRANSACTIONS

Please refer to note 12 to the Company's condensed consolidated interim financial statements for the quarter and the six-month period ended 30 June 2011 for details on such transactions.

NOTE 6: INFORMATION ON THE COMPANY'S PERSONEL

(a) Breakdown by geographical area of employment

	30 June 2011	31 December 2010
United Kingdom	61	53
United States of America	8	9
Japan	2	2
Continental Europe	2	2
Total	73	66

(b) Breakdown by nature of employment

	30 June 2011	31 December 2010
Research and development	44	35
Sales and support	18	20
General & administrative	11	11
Total	73	66

In addition, as at 30 June 2011, the Company also employed a total of 7 contractors, of which 5 were software developers.

NOTE 7: VOTING RIGHTS AND SIGNIFICANT SHAREHOLDERS

(a) Voting rights attached to shares outstanding as at 30 June 2011

(i) Theoretical number of voting rights

Number of shares to which a single voting right is attached	10,282,051
Number of shares to which a double voting right is attached	7,730
Theoretical number of voting rights attached to the Company's ordinary shares which were outstanding at 30 June 2011	10,297,511

(ii) Number of voting rights to be used for annual meeting quorum computation

Theoretical number of voting rights computed as indicated above	10,297,511
Number of voting rights attached to own shares held by the Company	(168,081)
Total number of voting rights to be used for shareholders' meeting quorum computation as at 30 June 2011	10,129,430

(b) Significant shareholders

(i) Stichting Andlinger & Co. Euro-Foundation
At 30 June 2011, as was also the case at 31 December 2010, Stichting Andlinger & Co. Euro-Foundation held 2,883,001 shares of the Company, or approximately 28.02% of the total number of shares of the Company which were outstanding at such date. Attached to these 2,883,001 shares were a total of 2,883,021 voting rights, representing approximately 28.00% of the total number of voting rights attached to the Company's ordinary shares which were outstanding at 30 June 2011.

(ii) Other significant shareholders
At 30 June 2011, no other shareholder was known to the Company to hold in excess of either 5.0% of the total number of shares forming the share capital of the Company, or 5.0% of the theoretical number of voting rights attached to such shares as computed in note 7a above.

NOTE 8: INFORMATION REGARDING GLOBAL GRAPHICS SA

Because Global Graphics SA has only one employee and all of its revenue results from the recharge of corporate management fees to the Company's operating entities which are based in the UK and in the US, its statutory results for the quarter and the six-month period ended 30 June 2011 are not provided since they were not considered as meaningful in the context of the reporting of the Company's condensed consolidated results as at and for the quarter and the six-month period ended 30 June 2011.

GLOBAL GRAPHICS SA AND SUBSIDIARIES
STATEMENT MADE BY THE PERSON TAKING RESPONSIBILITY FOR THE FINANCIAL REPORT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2011
Translation of the French language original

I hereby confirm that, to the best of my knowledge, the condensed consolidated accounts included in the Company's financial report for the six-month period ended 30 June 2011 have been prepared in accordance with IAS 34, Interim Financial Reporting, and more generally with International Financial Reporting Standards (IFRSs) and related interpretations issued by the International Accounting Standards Board, as adopted by the European Union, and give a true and fair view of the assets, liabilities, financial position, and profit or loss of Global Graphics SA and its subsidiaries as at and for the six-month period ended 30 June 2011.

I also hereby confirm that the attached condensed management report includes a fair review of the information referred to in article 222-6 of the Règlement général de l'Autorité des marchés financiers, and notably of the material events that occurred in the six-month period ended 30 June 2011 and their impact on the condensed consolidated accounts for the same period, the main risks and uncertainties for the remaining six months of the current financial year, and the main transactions with related parties which occurred during the six-month period ended 30 June 2011.

Made in Cambourne (United Kingdom) on 27 July 2011,

Gary Fry
Chief Executive Officer