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EVERY MORNING, YOU WANT TO CONQUER THE WORLD.

First half 2011 Financial report

Cegid Group

“Contents”

1.SALES AND NET INCOME IN THE FIRST HALF OF 2011

Consolidated sales

in €M	2011	2010	2011	2010
Licenses	16.8	19.0	13%	16%
SaaS	9.4	7.8	7%	7%
Maintenance	49.5	47.2	39%	39%
Other	2.8	2.5	2%	2%
Total Software and software-related services (SSRS)	78.5	76.5	62%	64%
Professional services	32.3	27.8	26%	23%
Total SSRS and professional services	110.8	104.3	88%	87%
Hardware distribution and other	15.2	15.7	12%	13%
TOTAL	**126.0***	**120.0**	**100%**	**100%**
of which recurrent	65.0	61.7	52%	51%

* of which changes in scope: €4 million

First half consolidated sales amounted to €126 million, up 5% at actual scope (1.7% at constant scope). First half activity reflected the shift in the market for enterprise solutions to SaaS-based (Software as a Service) products, with SaaS sales increasing by 20% (15% at constant scope).

As of June 30, 2011, SaaS contract revenues to be recognized before 2017 were estimated to total more than €25 million, up 80% over the last 12 months (up almost 20% in H1 2011 alone). This strong growth in future revenues, coupled with tight control over hosting costs, added value to Cegid’s productive assets.

This very favorable performance represented a continuation of the trend in several Cegid products (CPAs, Payroll/ HR, SMEs, Retail, etc.) and partnership solutions. It also confirmed Cegid’s position as a major player in these areas. In a market shifting toward the SaaS-based model, revenue from licenses decreased 11%, with an unfavorable basis effect, as a large number of licenses were sold in June 2010, in particular for tax (CVAE), Retail and Public Sector solutions. Service levels were high in the first half of 2011, as the Retail solutions sold in 2010 were implemented.

After taking into account recurrent revenue from software maintenance (€49.5 million, up 5% at actual scope, and up 1% at constant scope), revenue from strategic "Software and software-related services (SSRS)" activities totaled €78.5 million in H1 2011, up 2.5% at actual scope (down 1.3% at constant scope).

Revenue from training, consulting and deployment activities totaled €32.3 million, up 16% at actual scope and 13% at constant scope. This increase in revenue is attributable to the above-mentioned project roll-outs. It rose as sharply as it did because the order planning process was improved, and so subcontracting services were purchased, which in turn explains the decrease in the gross margin.

As a result, revenue from "SSRS and professional services" (€110.8 million) rose by 6.2%, at actual scope (2.5% rise at constant scope).

The "hardware and installation" business accounted for revenue of €15.2 million in H1 2011, down more than 3% compared to H1 2010.

Finally, total recurrent revenue in H1 2011 (€65 million) accounted for 52% of total first half revenue, up 5.4% at actual scope. This growth served as validation that acquisitions carried out in 2010, principally in the public sector, were judicious and the acquired companies well integrated.

First half 2011 results

As a reminder, operating income for H1 2010, and consequently pre-tax income and net income, included the reversal of a €2 million provision for risks recognized in 2008 in connection with a business combination.

in €M	First half 2011	First half 2010	change in %
Sales	126.0	120.0	+5.0%
EBITDA	26.5	26.7	-1.0%
Income from ordinary activities	9.0	9.4	-3.9%
Operating income	9.0	11.6	-22.3%
Net financial expense	-0.9	-0.6	-61.6%
Pre-tax income	8.1	11.1	- 26.5%
Income tax	3.1	3.9	-19.3%
Net income (Group share)	4.8	7.0	-32.0%
Net cash from operating activities	**26.4**	**16.8**	**X 1.6**

(Percentages may have been calculated on the basis of non-whole numbers in thousands of euros and may therefore be different from percentages calculated using whole numbers)

The gross margin, including the purchase of services, which allows for greater variability of operating costs, totaled 86.5% of revenue in the first half of 2011 (87.5% of revenue in the first half of 2010).

Over the last 12 months, Cegid acquired companies promising a high return on investment, but whose profitability did not match that of Cegid. The changes in scope led to an increase in operating costs, which were kept well under control. This coupled with the gross margin enabled Cegid to post EBITDA of €26.5 million in the first half of 2011 (€26.7 million in H1 2010).

After another increase in depreciation and amortization on development costs and on assets identified during acquisitions (up €1.7 million compared to H1 2010 and up €2.4 million compared to H1 2009), income from ordinary activities stood at €9.0 million (€9.4 million in H1 2010 and €8.6 million in H1 2009).

The operating income of €9.0 million in H1 2011 is not comparable to that of H1 2010, which included a €2 million reversal of a provision for risks recognized in 2008 in connection with a business combination.

Net financial expense totaled €0.9 million (€0.6 million in H1 2010), the variation being attributable to an increase in interest rates and fluctuations in the EUR/USD exchange rate.

Corporate income tax expense amounted to €3.1 million (€3.9 million in H1 2010) and the share from equity-accounted companies totaled €0.2 million (€0.2 million in H1 2010).

Consolidated net income in H1 2011 was thus €4.8 million (€7.0 million in H1 2010, which included the reversal of a provision for risks, after taxes, as mentioned above).

In H1 2011, the average monthly breakeven was €19.3 million (€18.2 million in H1 2010). This increase reflected changes in scope (€0.6 million) and an increase in depreciation and amortization of development costs and other assets identified during acquisitions (€0.4 million). Excluding these elements, the average monthly breakeven was at a comparable level to that of H1 2010 and H1 2009.

Financial structure

An increase in cash flow generated by the business before taxes and interest paid (€26.2 million in H1 2011 vs. €25 million in H1 2010) reaffirmed the robustness of Cegid's business model and the carefully managed changeover from the on-premises provider model to the SaaS-based model. In H1 2010, net cash from operating activities amounted to €26.4 million vs. €16.8 million in H1 2010 (up nearly 60%).

Gearing, the ratio of net debt (€72.8 million at June 30, 2011) to consolidated shareholders' equity (€169.8 million at June 30, 2011), stood at 43% at June 30, 2011, down from 45% at June 30, 2010 following the financing of €9.2 million in acquisitions made over the last 12 months.

Cegid Group financial statements

Cegid Group is a holding company. Its revenues, composed essentially of royalties received from subsidiaries, totaled €2.3 million. Its operating income was €0.2 million and its net income was €9.7 million. It included dividends received from subsidiaries Cegid SA (€3.9 million) and Quadratus SA (€5.2 million).

2. HIGHLIGHTS OF THE FIRST HALF OF 2011: PURSUIT OF STRATEGIC INVESTMENTS LARGELY ORIENTED TOWARDS SAAS-BASED SOLUTIONS

Continued investment in SaaS solutions

SaaS solutions for CPAs

With the acquisition of 21S, a provider of fully web-based software solutions for CPAs and their small-company customers, Cegid is pursuing its development in SaaS-mode software for the accounting profession and is strengthening its expertise in fully web-based technologies.

Based on the success of its SaaS solutions for the accounting profession, with Cegid Expert On Demand and Quadra Expert On Demand having attracted more than 180 new accounting firms and 1,000 users since January 1, 2010, this acquisition will strengthen Cegid's ability to offer CPAs and their customers new innovative services in On Demand mode. Today, some 15,000 small companies are connected to these collaborative platforms.

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

SaaS solutions for associations

Cegid has acquired 100% of the shares of Innov'Adhoc (brand name: Atalante), a provider and integrator of an enterprise solution for associations and trade unions. Through Cegid—and in particular through Cegid Public—Atalante should be able to expand Cegid's presence vis-à-vis associations that receive funding from local authorities. It should also benefit from the synergies offered by the Cegid–Groupama/Gan Assurances agreement and from the recommendations of CPAs. Cegid also provides solutions for the new accounting and disclosure requirements incumbent upon hunting associations and trade unions.

Atalante has joined Cegid's newly formed "Entrepreneurs and Associations" business unit. Cegid's new division "Entrepreneurs and Associations" counts 45 employees in software development, hotline and web assistance and with the "Yourcegid Entrepreneurs" and "Yourcegid Associations" product ranges, will address the needs of small entities. The objective is to increase access to online services and applications, already used by more than 15,000 small companies and their CPAs.

The "Yourcegid Entrepreneurs" and "Your Cegid Associations" suites offer a complete array of industry-oriented sales management, estimate-invoicing, receipts and accounting modules, rich in functionality and 100% SaaS-enabled. Through multi-channel distribution, the division will address artisan contractors, store-owners, independent professionals and associations in the most appropriate, customized manner possible.

SaaS-based suite for entrepreneurs and enterprises, in partnership with Orange Business Services

Cegid has signed a partnership agreement with Orange Business Services, which illustrates its SaaS strategy of building a set of innovative cloud services around its solutions and those of its partners, be they software developers, service providers or content providers.

Yourcegid On Demand will be available through Orange Business Services' cloud-ready network—Business VPN Galerie—the world's first hub linking corporate VPNs to the world of cloud services, ensuring security, performance, availability and high-quality service 24/7.

This solution will offer companies of all sizes from the private and public sectors secure access to all of Cegid's SaaS-based solutions through an already-deployed, ready-to-use network infrastructure, all at a very competitive price.

40,000 users—15,000 small companies and 350 mid-sized to large companies—use Cegid's cloud solutions, and 350 public institutions and local authorities opted for a Yourcegid On Demand solution in 2010.

SaaS-based suite for the Cegid Education program

Cegid announced a partnership with Microsoft at the 2011 Cegid Education Forum*, a venue that brings together various participants in the relationship between the academic and corporate worlds. Cegid's Education Program solutions, integrating Live@edu, Microsoft's cloud platform for the academic world and including free messaging, storage and document sharing services, will be available in SaaS mode. Students will be able to familiarize themselves with Cegid's management solutions and benefit from a communication and collaboration platform from any internet browser. Meanwhile, academic institutions will benefit from the flexibility offered by the solution in SaaS mode.

** Created in 2004, the Cegid Education program currently includes 700 schools and 35,000 students already trained.*

Cegid Public is formed

Already present in the Public Sector since acquiring Civitas in 2008, Cegid took another step in the development of products and services dedicated to this market when it acquired Visa Informatique. In June 2011, Cegid Public was formed, bringing together the businesses and solutions of Civitas and Visa Informatique.

At present, the new entity has 200 employees, generates sales of €22 million and has 4,000 customers, including nearly 400 municipalities and public institutions that use Yourcegid Public Sector On Demand, a unique SaaS-based solution for the public sector.

At the 2011 EuroCloud France forum, this solution was awarded the SaaS trophy for the best Public Sector customer success story: SICTIAM, an organization of computerized local authorities in the Alps-Mediterranean region. EuroCloud's objective is to support the development of the SaaS and cloud computing market in France.

Public authorities and institutions must now find innovative solutions to deal with the profound changes resulting from a series of reforms, exemplified by the additional services being offered to French citizens. At the same time, demands for financial transparency are increasing. Cegid Public was formed to strengthen Cegid's support for these public sector entities.

New solutions in Human Resources and Finance

Cegid has beefed up its stable of SaaS-mode solutions with the release of Yourcegid Talents, a solution forming part of the Yourcegid Human Resources range and designed to help SMEs and large companies manage their talent. Yourcegid Talents covers training, HR development, planning of future skills and staffing requirements, and all evaluation applications (management of annual performance reviews and evaluations).

In addition, Cegid continued to develop its product line so as to respond to the new standards in human resources. Specifically, Cegid now offers "N4DS" solutions that are accompanied by a complete set of services tailored to the needs of each organization (N4DS is the new standard for the electronic transmission of employee data).

Finance – Taxation

Cegid has announced the launch of Yourcegid Taxes, a modular platform for filing tax declarations. Yourcegid Taxes is the third component to be added to the Yourcegid Taxation range, released in 2009 and until now composed of Yourcegid Etafi.fr and Yourcegid Archiving. Yourcegid Taxes will provide a simple, effective solution for fulfilling the numerous legal requirements with which companies must comply. By the end of 2011, a module for managing financial statements and related tax documents will be added to the range.

From producing tax-authority approved returns to filing them online using the Etafi.fr portal, the platform covers all company needs in a unified process, including VAT and fee filing, corporate vehicle taxes, the calculation and filing of flat tax and CVAE/CET business tax. The solution will gradually be added to as it becomes mandatory to file more and more tax returns online (corporate tax provisions and balance, employee taxes, VAT consolidation, etc.).

Finally, Cegid has now incorporated SEPA modules into its Finance solutions (harmonization of payment systems, conversion of third-party bank details). These modules take into account timing constraints so as to help companies comply with imposed deadlines.

Retailing

Cegid brought together more than 400 customers of its Retail solutions—both decision-makers and users—from more than 40 countries on the occasion of the "2011 Cegid Retail Connections" forum in Lisbon.
Through this event, Europe's largest specialist retailing conference, Cegid was able to bring customers up to date on the direction that functional, technological and architectural enhancements to the Yourcegid Retail suite will take in the areas of cross-channel marketing, optimization and internationalization.
Several informal meeting areas provided an opportunity to present:

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

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

Manufacturing

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

Document automation

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

Cegid is enhancing its enterprise solutions with ancillary services necessary for efficient IT system deployment and plans to extend these services so as to improve relationships with its customers and with training organizations.

3. Risk factors

Risk factors did not change during the course of the half year period. These factors are described in the 2010 Reference Document on pages 54 and 55.

4. Transactions with related parties

During the first half of 2011, no significant transaction was carried out with an executive of the company or with a shareholder who has significant influence over the Group. Transactions between related parties are detailed in Note 8 to the financial statements.

5. Approval of parent company and consolidated financial statements

Cegid's parent company and consolidated financial statements for the first half of 2011 were approved by the Board of Directors on July 20, 2011.

6. Outlook

Cegid plans to pursue its investment program by developing new, mainly SaaS-based solutions, by strengthening its expertise in cloud computing through partnerships that broaden its ecosystem and by accelerating its multi-channel business strategy. Cegid should succeed in proving its capacity to address the new challenges regarding how its solutions are used, and in turn generate satisfactory operating profits.

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

Against this background, Cegid has numerous strengths it can use to pursue growth both in France and abroad, by leveraging its:
- software provider approach, specialized around the Yourcegid vertical and function-specific product range, which has been very successful with large account customers;
- strong skills in SaaS (On Demand) solutions marketed by Cegid or its partners as part of a cloud computing solution;
- positioning as a comprehensive provider for Retail companies, which should lead to accelerated international growth;
- sound financial structure bolstered by €200 million in confirmed, four-year lines of credit (extendible to six).

7. Events since July 1, 2011

Between July 1, 2011 and the date of the Board of Directors meeting, no significant event took place that might have an impact on Cegid's financial statements.

(in €000)	Notes	H1 2011	% of sales	H1 2010	% of sales	2010	% of sales
Sales	6.1	126,006	100.0%	119,989	100.0%	249,619	100.0%
Goods & services purchased and change in inventories		-17,069	13.5%	-14,980	12.5%	-33,771	13.5%
Gross profit		108,937	86.5%	105,009	87.5%	215,848	86.5%
Capitalized expenditures		15,834	12.6%	14,338	11.9%	28,900	11.6%
External expenses		-23,225	18.4%	-22,813	19.0%	-45,815	18.4%
Value-added		101,546	80.6%	96,534	80.5%	198,933	79.7%
Taxes other than income taxes		-3,733	3.0%	-3,578	3.0%	-6,684	2.7%
Personnel costs		-71,333	56.6%	-66,221	55.2%	-131,841	52.8%
EBITDA		26,479	21.0%	26,735	22.3%	60,408	24.2%
Other ordinary income		261	0.2%	200	0.2%	599	0.2%
Other ordinary expenses		-394	0.3%	-1,065	0.9%	-1,943	0.8%
Depreciation, amortization and provisions		-17,326	13.8%	-16,481	13.7%	-32,048	12.8%
Income from ordinary activities		9,020	7.2%	9,389	7.8%	27,018	10.8%
Other operating income		147	-0.3%	3,314	2.8%	5,092	2.0%
Other operating expense		-131	0.3%	-1,073	-0.9%	-1,311	-0.5%
Operating income	6.2	9,036	7.2%	11,630	9.7%	30,799	12.3%
Financial income		100	0.1%	275	0.2%	143	0.1%
Financial expense		-1,001	0.8%	-833	0.7%	-1,536	0.6%
Net financial expense	6.3	-902	-0.7%	-558	-0.5%	-1,393	-0.6%
Pre-tax income		8,135	6.5%	11,072	9.2%	29,406	11.8%
Income tax	6.4	-3,141	2.5%	-3,893	3.2%	-9,732	3.9%
Share in net income of equity-accounted subsidiaries		-224		-162		-382	
Net income		**4,770**	**3.8%**	**7,018**	**5.8%**	**19,291**	**7.7%**
Net income attributable to parent company shareholders		**4,770**	**3.8%**	**7,018**	**5.8%**	**19,291**	**7.7%**
Average number of shares		8,809,970		8,809,947		8,805,594	
Earnings per share attributable to parent company shareholders		**€0.54**		**€0.80**		**€2.19**	

Statement of comprehensive income (in €000)	H1 2011	H1 2010	2010
Exchange differences	-4	34	13
IAS 19 Amendment	160	-1,011	-1,150
Securities measured at fair value		-7	-22
Deferred taxes	-55	350	388
Total comprehensive income recognized during the period	**4,871**	**6,384**	**18,521**

Assets (in €000)	Notes	6/30/2011	12/31/2010	6/30/2010
Goodwill	5.1.1	194,371	186,352	185,815
Intangible assets		72,870	69,993	67,094
Property, plant & equipment	5.1.4	5,955	5,760	5,528
Non-current financial assets	5.1.5	2,547	8,033	3,555
Equity-accounted subsidiaries	5.1.6	877	1,102	1,322
Other receivables	5.2.1	2,150	951	932
Deferred taxes	5.4	73	72	44
Non-current assets		**278,842**	**272,262**	**264,289**
Inventories and work-in-progress	5.2.1	1,120	684	829
Trade receivables and similar accounts	5.3	62,606	66,432	60,061
Other receivables and prepaid items	5.3			
Personnel		716	826	500
Sales tax receivable		3,191	3,029	2,802
Income tax receivable		1,377	92	30
Other receivables		2,392	886	354
Prepaid expenses		4,110	2,811	4,158
Cash and cash equivalents	5.2.2	2,622	3,486	2,723
Current assets		**78,134**	**78,245**	**71,457**
TOTAL ASSETS		**356,976**	**350,507**	**335,746**

Libailities and shareholders' equity (in €000)	Notes	6/30/2011	12/31/2010	6/30/2010
Share capital		8,771	8,771	8,771
Share premium		95,241	95,241	94,681
Reserves		61,002	50,646	51,092
Net income for the year		4,770	19,291	7,018
Shareholders' equity attributable to parent company shareholders		169,784	173,949	161,562
Non-controlling interests		1		
Total shareholders' equity	**5.4**	**169,785**	**173,949**	**161,562**
Financial liabilities (portion > 1 year)	5.3	74,620	69,441	73,859
Acquisition-related debt (portion > 1 year)	5.3	4,225	3,267	2,326
Deferred taxes	5.4	5,423	4,420	3,652
Provisions for pension obligations and employee benefits	5.5.1	9,960	9,444	8,861
Non-current liabilities		**94,228**	**86,572**	**88,698**
Provisions for other liabilities (portion < 1 year)	5.5.2	5,996	6,032	6,126
Financial liabilities (portion < 1 year)	5.3	796	1,935	1,378
Trade accounts payable & similar accounts	5.3	20,349	22,309	19,536
Tax and social security liabilities	5.3			
Personnel		34,732	35,256	32,472
Other taxes and employee-related liabilities		1,973	1,328	1,674
Sales tax payable		5,135	5,484	4,662
Income tax payable		117	2,123	747
Other liabilities	5.3			
Acquisition-related debt (portion < 1 year)		400	300	210
Payables related to acquired non-current assets (portion < 1 year)		487	15	15
Other liabilities and unearned revenue	5.3			
Other current liabilities		6,079	5,276	4,237
Unearned revenue		16,899	9,929	14,429
Current liabilities		**92,963**	**89,986**	**85,486**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		**356,976**	**350,507**	**335,746**

(in €000)	6/30/2011	6/30/2010	12/31/2010
Net income	4,770	7,018	19,291
Share in net income of equity-accounted subsidiaries	224	162	382
Depreciation, amortization & provisions and elimination of non-cash revenue and expense items	17,437	13,292	26,735
Capital gains and losses on disposal of non-current assets		8	15
Interest expense	668	596	1,166
Tax expense	3,141	3,892	9,732
Cash flow generated by the business	26,240	24,968	57,321
Interest paid	-564	-543	-1,323
Tax paid	-5,325	-5,586	-7,820
Cash flow after interest and tax paid	20,351	18,839	48,179
Change in inventories	-220	174	318
Change in accounts receivable	12,275	5,850	-4,485
Change in other receivables	-1,039	485	-576
Change in trade payables	-4,270	-3,617	449
Change in other payables	-650	-4,884	-1,337
Change in working capital requirement	6,096	-1,992	-5,631
Net cash from operating activities	**26,447**	**16,847**	**42,548**
Acquisition of intangible assets	-16,154	-14,750	-29,902
Acquisition of property, plant & equipment	-1,122	-848	-2,263
Acquisition of non-current financial assets	-700	-27	-139
Acquisition of companies net of acquired cash	-3,992	-1,007	-6,243
Disposal or decrease in non-current assets	129	62	62
Net cash from investing activities	**-21,839**	**-16,570**	**-38,485**
Issuance of redeemable share warrants (BAAR)			418
Dividends paid to parent company shareholders	-9,250	-9,246	-9,246
Drawdowns under medium-term lines of credit	75,000	74,000	70,000
Repayment of medium-term lines of credit	-70,000	-68,000	-68,000
Change in other financial debt		-41	-86
Net cash from financing activities	**-4,250**	**-3,287**	**-6,914**
Opening cash and cash equivalents	1,861	4,712	4,712
Change in cash and cash equivalents	**358**	**-3,010**	**-2,852**
Closing cash and cash equivalents	**2,219**	**1,701**	**1,860**

(in €000)	6/30/2011	6/30/2010	12/31/2010
Marketable securities	929	1,120	1,246
Cash	1,693	1,603	2,240
Bank overdrafts	-403	-1,022	-479
Intercompany accounts (credit balances)			-1,146
Closing cash and cash equivalents	**2,219**	**1,701**	**1,861**

(in €000)	CHANGES IN SHAREHOLDERS'EQUITY attributable to parent company shareholders							attributable to non-controlling interests	TOTAL
	Share capital	Share pre-mium	Other share-holders' equity	Reserves and retained earnings	Treasury shares	Income or loss recognized directly in equity	Total attributable to parent company share-holders		
Shareholders' equity at 12/31/2009	**8,771**	**94,681**		**69,891**	**-7,697**	**-1,333**	**164,312**		**164,312**
First half 2010 net income				7,018			7,018		7,018
Shares held in treasury					175		175		175
Exchange differences						-29	-29		-29
IAS 19 Amendment						-663	-663		-663
Securities measured at fair value						-5	-5		-5
Dividends paid by the Company				-9,246			-9,246		-9,246
Shareholders' equity at 6/30/2010	**8,771**	**94,681**		**67,663**	**-7,522**	**-2,030**	**161,562**		**161,562**
Second half 2010 net income				12,273			12,273		12,273
Issuance of redeemable share warrants (BAAR)		560		-142			418		418
Shares held in treasury				36	-185		-149		-149
Exchange differences				-89		42	-47		-47
IAS 19 Amendment						-92	-92		-92
Securities measured at fair value						-17	-17		-17
Shareholders' equity at 12/31/2010	**8,771**	**95,241**		**79,741**	**-7,707**	**-2,097**	**173,949**		**173,949**
First half 2011 net income				4,770			4,770		4,770
Shares held in treasury					71		71		71
Exchange differences				144		-4	140		140
IAS 19 Amendment						105	105		105
Dividends paid by the Company				-9,250			-9,250		-9,250
Other								1	1
Shareholders' equity at 6/30/2011	**8,771**	**95,241**		**75,405**	**-7,636**	**-1,996**	**169,784**	**1**	**169,785**

All of the information provided herein is expressed in thousands of euros unless otherwise indicated. The accompanying notes are an integral part of the first half 2011 financial statements. These condensed consolidated financial statements were approved by the Board of Directors on July 20, 2011.

1. SIGNIFICANT EVENTS IN H1 2011

On March 1, 2011, Cegid SA acquired 100% of the shares of Innov'Adhoc (brand name: Atalante), a company that caters to associations and trade unions. The company was dissolved and its assets merged with those of Cegid SA as of June 18, 2011.

On April 19, 2011, Cegid Group acquired 99.33% of the shares of 21S (and its subsidiary Iroise Ltée), a developer of fully web-based solutions for CPAs and their SME customers.

The companies Visa Informatique and Ensemble Solutions (acquired on December 21, 2010) were dissolved and their assets merged with those of GVI Holding as of May 28, 2011.This company was dissolved and its assets merged with those of Civitas, which was renamed Cegid Public as of June 1, 2011.

2. COMPLIANCE STATEMENT

The condensed consolidated financial statements for the first half of 2011 have been prepared in accordance with IAS 34 "Interim financial reporting".

Cegid's condensed consolidated financial statements have been prepared in accordance with IFRS (standards and interpretations) applicable in the European Union as of June 30, 2011. These principles are the same as those applied for the preparation of consolidated financial statements for the full year ended December 31, 2010.

This information and the detailed notes hereafter were prepared on the basis of the new standards and interpretations in force on June 30, 2011 and applicable to fiscal years beginning on January 1, 2011 or later, specifically:

- The revised version of IAS 24 "Related party disclosures",
- IFRS 8, as amended "Operating segments".

These new standards did not affect the financial statements presented on June 30, 2011.

3. ACCOUNTING PRINCIPLES AND METHODS

3.1 Presentation of the financial statements

The condensed consolidated financial statements should be read in conjunction with the consolidated financial statements of the fiscal year ended December 31, 2010.

The financial statements are presented in thousands of euros.

Cegid has applied the disclosure and presentation rules defined in IAS 34 "Interim financial reporting" and the revised IAS 1. The first-half financial statements are presented in condensed form. As such, only certain notes to the financial statements are shown.

The accounting principles and methods applied are identical to those applied to the financial statements for the fiscal year ended December 31, 2010.

The full set of accounting principles is detailed in the consolidated financial statements for the year ended December 31, 2010 and integrated into the 2010 Reference Document filed with the AMF on April 27, 2011 under the number D.11-0368.

Specific principles applicable to first-half financial statements are presented below.

3.2 Valuation basis

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

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

3.3 Use of estimates

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

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

3.4 Business combinations – goodwill

The accounting method applied for the recognition of business combinations is detailed in Note 2.1.1 to the 2010 consolidated financial statements.

Goodwill on the balance sheet as of June 30, 2011 is determined and measured in accordance with Note 2.1.2 to the 2010 consolidated financial statements.

Earn-outs related to business combinations are measured at their fair value as of the date of the acquisition. After the acquisition date, they are measured at their fair value as of each closing date. After the end of a one-year period beginning on the acquisition date, any change in this fair value is recognized in the income statement if these earn-outs are financial liabilities.

In accordance with the revised IFRS 3, the amount of goodwill is finalized within one year of the acquisition date. The accounting for business combinations indicated in Note 5.1.2 is preliminary.

3.5 Depreciation and amortization of non-current assets

Depreciation and amortization are calculated on the basis of the assets held by Cegid as of June 30, 2011 according to the methods detailed in Note 2.2 to the 2010 consolidated financial statements.

3.6 Impairment tests

An impairment test is performed, if necessary, as described in Note 2.3 to the 2010 consolidated financial statements if there is an indication of a loss in value at the end of the first half of the year.

3.7 Pension obligations

The discount rate used in the calculation of pension commitments as of June 30, 2011 was 4%, unchanged from December 31, 2010.

The assumptions used will be modified in the event the collective bargaining agreements are changed. No new benefits were added, nor was the plan changed in any way during the first half of the year as a result of laws, agreements or contracts.

The components of the calculation of pension obligations as of June 30, 2011 are shown in Note 4.6

3.8 Provisions

Provisions for contingencies and losses were recognized in full as of June 30, 2011 if the event giving rise to it met the conditions specified in Note 2.13 to the 2010 consolidated financial statements.

3.9 Financial instruments

Financial instruments consolidated on June 30, 2011, were recognized in accordance with the rules detailed in Note 2.11 to the 2010 consolidated financial statements.

3.10 Income tax

Current tax

Tax expense for the first half of the year is based on an estimated tax rate applied to the companies' pre-tax income and calculated on an annual basis. This estimate takes into account the use of tax-loss carryforwards. The calculation also takes into account the tax rates applicable to the various categories of income (normal rate, reduced rate, etc.).

Deferred taxes

Cegid applied the criteria for capitalizing deferred taxes to tax-loss carryforwards as of June 30, 2011, in accordance with Note 2.5 to the 2010 consolidated financial statements.

4. Scope of consolidation

	Head office Siren code	Business	Months consolidated	% control 6/30/2011	% ownership 6/30/2011	% ownership 12/31/2010	
CEGID GROUP SA	Lyon 327888111	Holding	6				
Companies held by Cegid Group							
CEGID SA	Lyon 410218010	Software development	6	100.00	100.00	100.00	Full
QUADRATUS SA	Aix-en-Provence 382251684	Software development	6	100.00	100.00	100.00	Full
CEGID PUBLIC SA (1)	Cergy 384626578	Software development	6	100.00	100.00	100.00	Full
CEGID SERVICES SARL	Lyon 341097616	Holding company	6	99.89	99.89	99.89	Full
21S INGENIERIE SA (2)	Rennes 422993428	Software development	2	99.33	99.33	-	Full
Companies held by Cegid SA							
CEGID CORPORATION	USA New York	Software distribution	6	100.00	100.00	100.00	Full
CEGID IBÉRICA SL	Spain Madrid	Software distribution	6	100.00	100.00	100.00	Full
CEGID LTD	United Kingdom Manchester	Software distribution	6	100.00	100.00	100.00	Full
CEGID ITALIA SRL	Italy Milan	Software distribution	6	100.00	100.00	100.00	Full
CEGID HONG KONG HOLDINGS LIMITED	Hong Kong	Holding company	6	76.00	76.00	76.00	Full
INFORMATIQUE ET COMMUNICATIONS SARL	Beaune 383837994	Software development	6	51.00	51.00	51.00	Full
SERVANT SOFT SARL	Lyon 318762192	Software development	6	100.00	100.00	100.00	Full
GD INFORMATIQUE SAS	Vienne 390420305	Software development	6	100.00	100.00	100.00	Full
CGO INFORMATIQUE SARL	Lyon 323872721	Software development	6	100.00	100.00	100.00	Full
MAGESTEL SARL	Lyon 339067092	Software development	6	100.00	100.00	100.00	Full
FCRS SARL	Lyon 412552317	Software development	6	100.00	100.00	100.00	Full
ASPX SARL	Lyon 430048462	Software development	6	100.00	100.00	100.00	Full
AXETEAM SAS (3)	Paris 479087983	Software development	6	0.00	0.00	100.00	Full
INNOV'ADHOC SAS (3)	Paris 479087983	Software development	4	0.00	0.00	0.00	Full
Company held by Cegid Public (1)							
GVI Holding SA	Poitiers 440339919	Software development	6	0.00	0.00	100.00	Full
Companies held by GVI Holding (1)							
VISA SA	Poitiers 440339919	Software development	6	0.00	0.00	100.00	Full
ENSEMBLE SOLUTION SARL	Poitiers 440339919	Software development	6	0.00	0.00	100.00	Full
Company held by 21S (2)							
IROISE Ltee	Maurice		2	99.33	99.33	0.00	Full
Company held by ASPX (4)							
CEMAGID SAS	Lyon 4287144299	Software development	6	50.00	50.00	50.00	EQ
Company held by Cegid Hong Kong Holding Ltd							
CEGID SOFTWARE LTD	China Shenzhen	Software distribution	6	100.00	100.00	100.00	Full

Full: Full consolidation
EQ: Equity-accounted

(1) Civitas was renamed Cegid Public, and Cegid Group transferred the shares of GVI to Cegid Public. After all assets and liabilities of Visa and ES were transferred to GVI, all assets and liabilities of GVI were transferred to Cegid Public.
(2) 21S and its subsidiary Iroise were acquired on April 19, 2011.
(3) All assets and liabilities of Axeteam, acquired on December 1, 2010, have been transferred to Cegid SA. All assets and liabilities of Innov'Adhoc, acquired on March 1, 2011 have been transferred to Cegid SA.
(4) Comptanoo has been renamed Cemagid.

5. Notes to the balance sheet

5.1 Changes in non-current assets

5.1.1 Goodwill

As there was no indication of a loss in value as of June 30, 2011, the impairment test described in Note 2.3 to the 2010 consolidated financial statements was not performed. It will be performed at December 31, 2011.
Changes during the period broke down as follows:

(in €000)	6/30/2010	12/31/2010	Reclassifications	Increases	Decreases	6/30/2011
Cegid	163,091	163,522		5,722	-127	169,117
Quadratus	16,242	16,242				16,242
Cegid Public	6,482	6,587		2,424		9,011
Total	**185,815**	**186,352**		**8,146**	**-127**	**194,371**

Goodwill related to companies accounted for by the equity method are recognized in the balance sheet under "Equity-accounted subsidiaries"..

Intangible assets of the three Cash Generating Units broke down as follows:

(in €000)	Brands	Customer relationships	Goodwill
Cegid	1,000	7,300	169,117
Quadratus			16,242
Cegid Public	900	4,400	9,011
	1,900	**11,700**	**194,371**

5.1.2 Business combinations

(in €000)	Acquisition cost (1)	Net assets contributed	Fair value of intangible assets (2)	Negative goodwill	Goodwill
GVI Holding, acquired on 12/21/2010	5,550	2,076	1,049		2,424
Innov'adhoc, acquired on 3/1/2011	718	43			676
21S Ingenerie, acquired on 4/19/2011	5,267	221			5,046
Total	**11,536**	**2,340**	**1,049**		**8,146**

(1) Includes earn-outs agreed at the time of the acquisition, taken to liabilities, discounted as necessary.
(2) At this stage, the fair value of the assets and liabilities of the companies acquired during the half year period has not been finalized, in particular with regard to the capitalization of loss carryforwards.
See Note 2.1.1 "Business combinations" to the 2010 financial statements.

(in €000)	Customer relationships	Deferred tax liabilities	Fair value of intangible assets
GVI Holding, acquired on 12/21/2010	1,600	-551	1,049
Innov'adhoc, acquired on 3/1/2011			
21S Ingenerie, acquired on 4/19/2011			
Total	**1,600**	**-551**	**1,049**

At this stage, the fair value of the assets and liabilities of the companies acquired during the half year period has not been finalized.

5.1.3 Intangible assets

Changes during the period broke down as follows:

(in €000)	06/30/2010	12/31/2010	Change in scope of consolidation	Reclassifications	Increases	Decreases	6/30/2011
Development costs	235,016	251,232	6,308		15,856	-35	273,361
Concessions, patents	5,219	7,131	386		297	-393	7,421
Brands	1,900	1,900					1,900
Customer relationships	9,200	10,100	1,600				11,700
Other intangible assets	651	653			2	-18	637
Gross amounts	**251,986**	**271,016**	**8,294**		**16,155**	**-446**	**295,019**
Development costs	-179,155	-193,436	-5,374		-15,167	239	-213,739
Concessions, patents	-4,084	-5,190	-261		-529	393	-5,587
Other intangible assets	-1,652	-2,397	-11		-427	12	-2,823
Amortization	**-184,891**	**-201,023**	**-5,646**		**-16,124**	**644**	**-222,149**
Net intangible assets	**67,094**	**69,993**	**2,648**		**31**	**198**	**72,870**

(1) See Note 2.1.1 to the 2010 financial statements.

5.1.4 Property, plant & equipment

Changes during the period broke down as follows:

(in €000)	6/30/2010	12/31/2010	Change in scope of consolidation	Reclassifications	Increases	Decreases	6/30/2011
Technical facilities, equipment and industrial supplies	11,917	12,300	853		827	-288	13,691
Other property, plant & equipment	8,543	8,873	64		295	-24	9,208
Gross amounts	**20,460**	**21,173**	**917**		**1,122**	**-312**	**22,899**
Technical facilities, equipment and industrial supplies	-9,446	-9,512	-615		-753	276	-10,604
Other property, plant & equipment	-5,487	-5,902	-37		-422	20	-6,341
Depreciation	**-14,932**	**-15,414**	**-652**		**-1,175**	**296**	**-16,944**
Net property, plant & equipment	**5,528**	**5,760**	**265**		**-54**	**-16**	**5,955**

5.1.5 Investments and other financial assets

Changes during the period broke down as follows:

(in €000)	6/30/2010	12/31/2010	Change in scope of consolidation	Reclassifications	Increases	Decreases	6/30/2011
Equity investments		5,550	-5,550				
Equity investments and related receivables	1,825	792					792
Other long-term investments	182	182					182
Impairment losses	-294	-294					-294
Total financial investments [(1)]	**1,713**	**6,230**	**-5,550**				**680**
Deposits and guarantees	554	560	23		16	-39	560
Loans	921	1,026					1,026
Impairment losses on loans and deposits	-109	-107					-107
Loans and deposits	**1,366**	**1,478**	**23**		**16**	**-39**	**1,478**
Other financial assets	476	325			83	-19	389
Net non-current financial assets	**3,555**	**8,033**	**-5,527**		**99**	**-58**	**2,547**

(1) Financial investments broke down as follows:

(in €000)	6/30/2011	12/31/2010	6/30/2010
Equity investments		5,550	1,007
Financial assets measured at fair value	792	792	819
Impairment losses	-292	-292	-292
Financial assets measured at fair value	**500**	**6,050**	**1,534**
Other securities	182	182	182
Impairment losses	-2	-2	-2
Other long-term investments	**180**	**180**	**180**
Total financial investments	**680**	**6,230**	**1,714**

5.1.6 Equity-accounted subsidiaries

(in €000)	6/30/2011	12/31/2010	6/30/2010
Opening balance	1,102	1,485	1,485
Changes in scope			
Share in net income of equity-accounted subsidiaries	-224	-382	-162
Closing balance	**877**	**1,102**	**1,323**

5.2 Changes in current assets

5.2.1 Changes related to impairment of current assets

(in €000)	6/30/2010	12/31/2010	Change in scope of consolidation	Increases	Decreases	6/30/2011
Inventories and work-in-progress		16		16	-10	22
Trade receivables and similar accounts	9,527	9,701		2,418	-3,173	8,946
Other receivables	44	44				44
Total	**9,571**	**9,761**		**2,434**	**-3,183**	**9,012**

5.2.2 Cash and cash equivalents

(in €000)	6/30/2011	12/31/2010	6/30/2010
Shares of mutual funds	929	1,246	1,120
Cash	1,693	2,240	1,603
Total	**2,622**	**3,486**	**2,723**

5.3 Financial instruments

5.3.1 Fair value of financial instruments

In accordance with the requirements of IFRS 7, paragraph 27B, the tables below present the three methods used to determine the fair value of financial instruments:
Method 1: fair value based on published price quotations in active markets,
Method 2: fair value based on price quotations on observable markets,
Method 3: fair value based on unobservable markets.

Financial assets (in €000) as of 6/30/2011	Carrying value	Method
Financial assets measured at fair value	500	1
Other non-current financial assets	180	3
Cash equivalents	929	1
Cash	1,693	1
Financial assets measured at fair value	**3,302**	

Financial liabilities (in €000) as of 6/30/2011	Carrying value	
Acquisition-related debt	4,625	2
Financial liabilities measured at fair value	**4,625**	

Financial assets (in €000) as of 12/31/2010	Carrying value	Method
Investments in unconsolidated companies	5,550	3
Financial assets measured at fair value	500	1
Other non-current financial assets	180	3
Cash equivalents	1,246	1
Cash	2,238	1
Financial assets measured at fair value	**9,714**	

Financial liabilities (in €000) as of 6/30/2010	Carrying value	
Acquisition-related debt	3,567	2
Financial liabilities measured at fair value	**3,567**	

(in €000) as of 6/30/2011	Carrying value	Financial assets at fair value through profit or loss	Available-for-sale assets	Loans and receivables
Investments in unconsolidated companies				
Financial assets measured at fair value	500		500	
Other non-current financial assets	180			180
Loans	1,025			1,025
Deposits and guarantees	842			842
Other non-current receivables	2,150			2,150
Trade accounts receivable	62,606			62,606
Other short-term receivables	7,676			7,676
Cash equivalents	929	929		
Cash	1,693	1,693		
Financial assets	**77,601**	**2,622**	**500**	**74,479**

	Carrying value	Financial liabilities at fair value through profit or loss	Debt at amortized cost	Other liabilities
Medium-term lines of credit	74,620		74,620	
Acquisition-related debt	4,625			4,625
Trade payables	20,349			20,349
Other current liabilities	42,444			42,444
Current financial liabilities	796	403		392
Financial liabilities	**142,834**	**403**	**74,620**	**67,810**

(in €000) as of 12/31/2010	Carrying value	Financial assets at fair value through profit or loss	Available-for-sale assets	Loans and receivables
Investments in unconsolidated companies	5,550		5,550	
Financial assets measured at fair value	500		500	
Other non-current financial assets	180			180
Loans	1,025			1,025
Deposits and guarantees	778			778
Other non-current receivables	951			951
Trade accounts receivable	66,432			66,432
Other short-term receivables	4,833			4,833
Cash equivalents	1,246	1,246		
Cash	2,238	2,238		
Financial assets	**83,732**	**3,483**	**6,050**	**74,199**

	Carrying value	Financial liabilities at fair value through profit or loss	Debt at amortized cost	Other liabilities
Medium-term lines of credit	69,441		69,441	
Acquisition-related debt	3,567			3,567
Trade payables	22,309			22,309
Other current liabilities	50,628			50,628
Current financial liabilities	789	480		309
Financial liabilities	**146,734**	**480**	**69,441**	**76,813**

5.3.2 Assets and liabilities, undiscounted and by maturity

(in €000) as of 6/30/2011	One year or less	1 to 5 years	more than 5 years
Other non-current receivables		2,226	
Financial assets		**2,226**	
Medium-term lines of credit		75,000	
Acquisition-related debt[1]	400	4,429	
Financial liabilities	**400**	**79,429**	

[1] Acquisition-related debt comprised principally the following items:
- a commitment by Cegid to purchase the 49% of the shares of Informatique et Communication held by non-controlling shareholders, for an amount estimated at €210 thousand (May 2006).
- estimated debt related to the acquisition of Cemagid (formerly Comptanoo), originally €2,614 thousand, which because of its maturity date was discounted at Cegid's refinancing rate as of the date of the transaction,

(in €000) as of 12/31/2010	One year or less	1 to 5 years	more than 5 years
Other non-current receivables		1,046	
Financial assets		**1,046**	
Medium-term lines of credit		70,000	
Acquisition-related debt	300	3,509	
Financial liabilities	**300**	**73,509**	

5.4 Other changes

Breakdown of deferred tax assets and liabilities

(in €000)	12/31/2010	Other changes	Impact on earnings	6/30/2011
Deferred tax assets	72		1	73
Deferred tax liabilities	4,420	16	978	5,414

As of June 30, 2011, unrecognized deferred tax assets of French companies totaled €1,936 thousand and of foreign companies, €1,661 thousand (€24 thousand and €1,561 thousand, respectively as of December 31, 2010). These amounts represented tax-loss carryforwards.

5.5 Notes to shareholders' equity

5.5.1 Changes in share capital

	Number of shares	Par value (in €)	Share capital (in €)	Share premiums (in €)
As of 6/30/2010	**9,233,057**	**0.95**	**8,771,404**	**94,681,125**
Subscription to redeemable share warrants (BAAR)				560,000
As of 12/31/2010	**9,233,057**	**0.95**	**8,771,404**	**95,241,125**
As of 6/30/2011	**9,233,057**	**0.95**	**8,771,404**	**95,241,125**

	6/30/2010	12/31/2010	Changes	6/30/2011
Number of shares	9,233,057	9,233,057		9,233,057
Par value per share	0.95	0.95		0.95
Share capital (in €)	**8,771,404**	**8,771,404**		**8,771,404**

5.5.2 Earnings per share

	H1 2011	FY 2010	H1 2010
Number of shares at end of period	9,233,057	9,233,057	9,233,057
Average number of shares during the period	8,809,970	8,805,594	8,809,947
Number of additional shares to be issued			
Number of shares held in treasury at end of period	424,908	427,463	422,985
Consolidated net income			
Net income attributable to parent company shareholders (in €M)	4.77	19.29	7.02
Earnings per share attributable to parent company shareholders (in €)[1]	0.54	2.19	0.80
Fully diluted earnings per share attributable to parent company shareholders (in €)[2]	0.54	2.19	0.80

[1] Based on the average number of shares (excl. treasury shares).
[2] Based on the average number of shares outstanding plus the number of additional shares to be issued (excl. treasury shares). Only potentially dilutive shares enter into the calculation of fully diluted earnings per share.

5.6 Provisions

5.6.1 Non-current provisions for pension obligations and employee benefits

(in €000)	H1 2011	FY 2010	H1 2010
Present value of commitments at start of period	9,444	7,480	7,480
Changes in scope	261	7	
Financial costs	208	394	197
Current service costs	346	457	228
Amortization of unrecognized past service costs	35	69	35
Plan curtailments and liquidations (1)			
Benefits paid during the period - long service awards	-173	-114	-91
Projected present value of commitments at end of period	10,120	8,294	7,849
Actuarial gains and losses / experience adjustments	-160	64	-33
Actuarial gains and losses / changes in assumptions		1,085	1,045
Present value of commitments at end of period	**9,960**	**9,444**	**8,861**

See Note 2.1.1 "Business combinations" to the 2010 financial statements.

5.6.2 Current provisions

(in €000)	6/30/2010	12/31/2010	Increases	Decreases		6/30/2011
				Used	Unused	
Labor disputes	2,022	2,087	123	-122	-27	2,061
Customer disputes	2,270	2,517	700	-33	-30	3,154
Reorganization plans	686	418		-20		398
Other	1,148	1,010	74	-100	-601	383
Total	**6,126**	**6,032**	**897**	**-275**	**-658**	**5,996**

5.7 Debt maturities

(in €000)	6/30/2011	One year or less	1 to 5 years	more than 5 years
Financial debt	75,136	796	74,340	
Trade payables	20,349	20,349		
Tax and social security liabilities	41,957	41,957		
Payables related to acquired property, plant & equipment	5,112	887	4,225	
Other liabilities and unearned revenue	22,998	22,998		
Total	**165,552**	**86,987**	**78,565**	

(in €000)	12/31/2010	One year or less	1 to 5 years	more than 5 years
Financial debt	70,230		70,230	
Trade payables	22,309	22,309		
Tax and social security liabilities	44,191	44,191		
Payables related to acquired property, plant & equipment	3,582	315	3,267	
Other liabilities and unearned revenue	16,351	16,351		
Total	**156,663**	**83,166**	**73,497**	

6. Notes to the income statement

6.1 Breakdown of sales

6.1.1 By type of business

(in €000)	H1 2011	H1 2010	2010
Licenses	16,814	19,032	40,702
SaaS	9,448	7,831	16,269
Maintenance	49,547	47,209	96,641
Other	2,714	2,452	6,746
Total Software and software-related services (SSRS)	**78,523**	**76,524**	**160,358**
Professional services	32,341	27,820	57,307
Total SSRS and professional services	**110,864**	**104,344**	**217,664**
Hardware distribution and other	15,142	15,645	31,955
TOTAL	**126,006**	**119,989**	**249,619**

6.1.2 By industry segment

(in €000)	H1 2011	H1 2010	2010
CPAs and very small companies	30,139	30,885	68,861
Services, Wholesaling, Cleaning, general business	39,758	39,031	77,752
Manufacturing	12,965	11,803	24,347
Fashion, Specialist retailing	22,048	21,563	43,786
Construction, Hospitality	10,594	9,632	19,222
Public sector	10,502	7,075	15,652
Total	**126,006**	**119,989**	**249,619**

6.2 Other operating income and expense

(in €000)	H1 2011	H1 2010	2010
Impact of reorganization plans	20	3,264	3,758
Divestments [1]	127	50	50
Negative goodwill recognized as income [2]			1,284
Other operating income	**147**	**3,314**	**5,092**
Impact of reorganization plans	-4	-1,051	-1,289
Divestments [1]	-127	-22	-22
Other operating expense	**-131**	**-1,073**	**-1,311**

[1] relates to the sale of a business (see Note 5.1.1)
[2] Negative goodwill related to the acquisition of Vedior Front RH

6.3 Net financial expense

(in €000)	H1 2011	H1 2010	2010
Financial income from equity investments	10	4	6
Income from investments	59	37	10
Income related to discounting	29	31	62
Other financial income		77	174
Financial income	**99**	**150**	**252**
Interest expense on loans and other borrowings	-668	-596	-1,154
Expense related to discounting	-45	-45	-91
Financial provisions	-208	-72	-394
Other financial expense	-80	5	-7
Financial expense	**-1,001**	**-708**	**-1,646**
Net financial expense	**-902**	**-558**	**-1,394**

6.4 Taxes

6.4.1 Breakdown of tax expense

(in €000)	H1 2011	H1 2010	2010
Current tax	-2,154	-3,296	-6,844
Deferred tax	-987	-597	-2,887
Total	**-3,141**	**-3,893**	**-9,732**

6.4.2 Tax reconciliation

(in €000)	H1 2011	%	H1 2010	%
Pre-tax income	8,134		11,072	
Theoretical tax	-2,801	34.43%	-3,812	34.43%
Effect of permanent differences	-79	0.97%	-98	0.89%
Losses of foreign subsidiaries	-160	1.97%	80	-0.72%
Use of tax-loss carryforwards	21	-0.26%	8	-0.07%
Tax credits	127	-1.56%	14	-0.13%
Rate effects and miscellaneous	-250	3.07%	-84	0.76%
Income tax	**-3,141**	**-38.61%**	**-3,893**	**-35.16%**

7. NOTES ON OFF-BALANCE-SHEET COMMITMENTS

7.1 Commitments given

There were no significant changes in off-balance-sheet commitments related to leases and bank guarantees.

7.2 Commitments received

7.2.1 Commitments received as asset and liability guarantees in connection with acquisitions

(in €000)	One year or less	1 to 5 years	more than 5 years
Commitments subject to limitations	3,500	2,742	

7.2.2 Bank lines of credit

(in €000)	As of 7/1/2011	From 7/1/2011 to 6/30/2014	From 7/1/2014 to 6/30/2015
Drawdown authorizations	200,000	200,000	170,000
Of which utilized as of 6/30/2011	75,000		

Cegid has two syndicated loans

- A €180 million syndicated loan, granted in July 2006 and repayable at maturity, under which Cegid exercised the loan agreement's extension clause in April 2008. This clause provided for an extension of the maturity date of the loan from June 30, 2011 to June 30, 2013 and an adjustment to the maximum outstanding amount. This amount has thus been reduced to €150 million from July 1, 2011 and to €120 million from July 1, 2012 until June 30, 2013.
- A syndicated loan granted in November 2010 in the amount of €20 million available until June 30, 2011, increasing to €50 million until June 30, 2012, to €80 million until June 30, 2013, and to €200 million until June 30, 2014. At that date, it will reduce to €170 million until June 30, 2015. If the loan agreement's extension clauses are exercised, €140 million will be available until June 30, 2016 and €100 million until June 30, 2017.

The credit facility granted in November 2010 has an initial term of five years, extendible to seven, and will gradually replace the syndicated loan granted in July 2006. Its purpose is to finance the Group's general and investment needs, including acquisition financing.

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

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

Cegid must also adhere to the following covenants:

- consolidated net debt / consolidated shareholders' equity less than 1;
- consolidated net debt / average consolidated EBITDA of the past four half-year periods less than 3.

The Group is currently in compliance with these covenants and intends to remain so. As of June 30, 2011, drawdowns under the syndicated lines of credit totaled €75 million.

8. RELATED-PARTY DISCLOSURES

Transactions with ICMI

Details of the relationship between Cegid Group and ICMI (52 quai Paul Sédallian, 69009 Lyon) and its subsidiaries and principal executives, as well as with Groupama (8-10 rue d'Astorg, 75008 Paris) and its subsidiaries during the first half of 2011 were as follows:

(in € 000)	First half 2011	First half 2010	2010
Trade receivables, gross	268	55	199
Operating liabilities	795	638	710
(in € 000)	**First half 2011**	**First half 2010**	**2010**
Executive Management fees	-1,342	-1,451	-3,095
Other external expenses	-178	-153	-453
Operating expenses	**-1,520**	**-1,604**	**-3,549**
Overheads	269	112	409
Partnership revenue		36	
Operating revenue	**269**	**148**	**409**

9. EVENTS SUBSEQUENT TO JUNE 30, 2011

Between July 1, 2011 and the date of the Board of Directors meeting, no significant event took place that might have an impact on Cegid's financial statements.

To the shareholders:

In compliance with the assignment you entrusted to us at your Shareholders' Meeting and pursuant to Article L. 451-1-2 III of the Monetary and Financial Code, we have:

- conducted a limited examination of the accompanying consolidated financial statements for Cegid Group SA, covering the six-month period from January 1 to June 30, 2011;
- verified the information disclosed in the management report on the first half of the year.

These condensed, consolidated, financial statements for the first half of the year are the responsibility of your Board of Directors. Our responsibility is to express a conclusion about these financial statements based on our limited review.

I. Conclusion regarding the financial statements

We conducted our limited examination in accordance with French professional standards.

A limited examination consists in interviewing the individuals responsible for accounting and financial matters and in implementing analytical procedures. An examination of this type is less extensive than the work required under an audit performed in accordance with French professional standards. Consequently, the level of assurance obtained from a limited examination that the financial statements as a whole do not contain significant anomalies, is a moderate one and not as high as that obtained in the context of an audit.

Based on our limited examination, no significant anomalies have come to our attention that would cause us to question the compliance of these condensed consolidated first half financial statements with IAS 34 "Interim financial reporting", which is part of the IFRS platform adopted by the European Union.

II. Specific verification

We have also verified the information contained in management's report on the first half consolidated financial statements that were the subject of our limited examination.

We have no observations to make as to the fairness of this information or its consistency with the condensed, consolidated, financial statements for the first half of the year

Lyon and Villeurbanne, July 21, 2011

The Statutory Auditors

MAZARS

Max DUMOULIN

GRANT THORNTON

French member of Grant Thornton International

Thierry CHAUTANT

We hereby certify that to the best of our knowledge, the condensed consolidated first half 2011 financial statements were prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial condition and earnings of the companies in Cegid's scope of consolidation, and that the first half management report presents a true and fair view of the important events that took place during the first six months of the fiscal year and of their impact on the first half financial statements, of the principal risks and uncertainties for the remaining six months of the year and of the principal transactions between related parties.

Jean-Michel AULAS
Chairman of the Board of Directors

Patrick BERTRAND
Chief Executive Officer

General information

Fiscal year: January 1 to December 31

ISIN code: FR 0000124703

Reuters: CEGI.PA Bloomberg: CGD FP Number of shares at June 30, 2011: 9,233,057

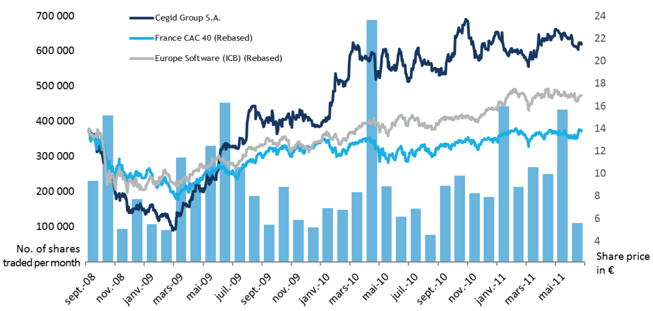
Cegid Group shares have been listed since 1986 and trade on Euronext Paris - Compartment B

Cegid Group is included in the Small, Mid and Small, All-Tradable and ITCAC indices

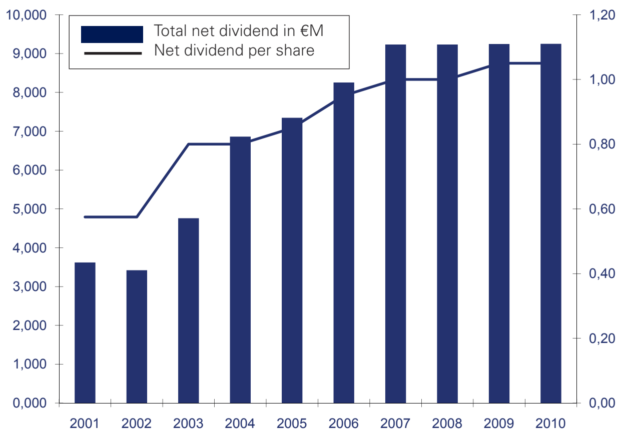
Shareholders at June 30, 2011

Share capital at June 30 after adjustment	Number of shares	% of shares	% of
Groupama Group	2,482,531	26.89	25.98
ICMI	927,604	10.05	14.16
Ulysse/Tocqueville Funds	543,661	5.89	7.15
Executive Board (excl. ICMI)	75,139	0.81	0.80
Treasury shares	424,908	4.61	
Free float	4,779,214	51.75	51.91
TOTAL	**9,233,057**	**100.00**	**100.00**

Cegid Group share price and trading volume



Cegid's dynamic dividend policy



Following the decision of shareholders at their May 19, 2011 Ordinary Meeting, Cegid distributed a dividend of €1.05 per share on 2010 earnings on May 26, 2011

Coverage of Cegid Group

The following financial analysts cover Cegid Group on a regular basis:

- CM CIC SECURITIES: Jean-Pascal BRIVADY
- GILBERT DUPONT: Pierre-Alexandre POUZET
- ODDO SECURITIES: Xavier-Emmanuel PINGAULT
- FINANCIÈRE D'UZES: Catherine VIAL

Calendar

- Thursday, October 13, 2011: Third quarter 2011 sales*
- Thursday, January 19, 2012: Fourth quarter 2011 sales*

*announcement after the market close