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First half 2012 financial report

Cegid Group

"Contents"

1. SALES AND RESULTS IN THE FIRST HALF OF 2012

Consolidated sales

H1 consolidated sales in €M	2012	2011	Change
Licenses	14.5	16.8	-14%
SaaS - On Demand	12.2	9.4	+30%
Maintenance	50.5	49.5	+2%
Other	2.2	2.7	-18%
Total Software and software-related services (SSRS)	79.4	78.5	+1%
Professional services	30.2	32.3	-7%
Total SSRS and professional services	109.6	110.8	-1%
Hardware distribution and other	15.7	15.2	+3%
TOTAL	**125.3**	**126.0**	**-1%**
of which recurrent	68.2	65.0	+5%

Consolidated sales for the first half of 2012 totaled nearly €125.3 million, slightly below that of the year-earlier period. Excluding the impact of unfavorable developments in the public sector business, revenues advanced by nearly 2%.

First half sales were characterized by strong growth in the first quarter of 5.7% compared with Q1 2011, followed by contraction of 6.5% in the second quarter, as sales of licenses and services declined significantly. Economic conditions deteriorated sharply beginning in May and as a result, orders were postponed in all business sectors.

Despite this background, SaaS - On Demand revenues continued to rise (up 30% over all of H1), enabling SSRS revenues to post a slight increase of 1.2%. Revenue from recurrent contracts of €68.2 million was up 5% compared with H1 2011 and represented 54% of total first half sales.

As of June 30, 2012, SaaS contract revenues still to be recognized before 2017 were estimated at nearly €35 million, up 44% since January 1, 2012 and strengthening Cegid's strategic orientation towards more recurrent revenue.

Revenue from the "Hardware distribution and other" business advanced by 3% to €15.7 million, or 12% of total sales. Business was brisk in antivirus solutions and support services related to implementation of SaaS-mode solutions.

Internationally, Cegid saw continued expansion with sales (excl. recurrent contracts) rising 13%, essentially in the Retail sector.

Results

in €M	H1 2012	H1 2011	Chg in %
Sales	125.3	126.0	-0.6%
EBITDA	**25.7**	**26.5**	**-2.8%**
Income from ordinary activities	6.0	9.0	-33.9%
Operating income	6.0	9.0	-33.9%
Net financial expense	-1.5	-0.9	61.8%
Pre-tax income	4.5	8.1	-44.6%
Income tax	-1.7	-3.1	-46.2%
Net income attributable to parent company shareholders	**2.5**	**4.8**	**-46.6%**
Net cash from operating activities*	19.7	26.4	-25.4%

* Cash derived from the business

The gross margin was 86.3% of sales in H1 2012 (86.5% in H1 2011). This margin level, combined with a tight grip on operating expenses, enabled Cegid to achieve EBITDA of €25.7 million in H1 2012 (€26.5 million in H1 2011), even though business slipped in the second quarter as a result of the challenging economic conditions.

Income from ordinary activities totaled €6.0 million in H1 2012 (€9.0 million in H1 2011), for several reasons. During the first half of 2012, the new international sales and services facilities opened in Brazil, the United Arab Emirates and Russia generated certain expenses. Amortization of capitalized development costs rose again, as did depreciation of assets identified during business combinations and of IT system and customer portal investments (up €0.9 million vs. H1 2011). Finally, for reasons of conservatism, various provisions were recognized to take account of the economic situation, in particular with regard to the public sector (€1.3 million).

Net financial expense was €1.5 million (€0.9 million in H1 2011) and reflected several factors. On the one hand, net interest expense declined, as debt was comparable to that of H1 2011, but interest rates were lower. On the other hand, a provision for impairment was recognized against non-current investments and a charge was taken against hedging instruments as part of IFRS restatement.

Corporate income tax expense amounted to €1.7 million (€3.1 million in H1 2011), and the share of income from equity-accounted companies totaled €-0.3 million, a level comparable with that of H1 2011. As a result, consolidated net income for H1 2012 totaled €2.5 million (€4.8 million in H1 2011).

In H1 2012, the average monthly breakeven* was €19.7 million (€19.3 million in H1 2011). This increase reflected the rise in amortization costs and various provisions, with a monthly total averaging €0.4 million. Excluding these items, the average monthly breakeven would be equivalent to that of the first half of 2011.

* estimated, unaudited average monthly breakeven.

Net cash from operating activities and firm financial structure

Net cash from operating activities: €19.7 million (€26.4 million in H1 2011). Gearing, the ratio of net debt (€74.0 million) to consolidated shareholders' equity (€173 million) remained stable as of June 30, 2012 at 42.8% (42.9% at June 30, 2011).

Cegid has two syndicated lines of credit totaling €200 million, of which €125 million was available as of June 30, 2012. The Group's banks have now agreed to extend availability for €140 million under the second syndicated line from July 1, 2015 to July 1, 2016, thus demonstrating increased confidence in Cegid's growth.

These lines provide Cegid with a significant drawdown capacity for future years, which it can use to finance its investment needs, in particular acquisitions.

Cegid Group financial statements

Cegid Group is a holding company. Its revenues, composed essentially of royalties received from subsidiaries, totaled €2.4 million. Its operating income was €0.3 million and its net income €5.2 million. Net income included dividends received from its subsidiary Cegid SA (€5.1 million).

2. HIGHLIGHTS OF THE FIRST HALF OF 2012: MORE STRATEGIC INVESTMENT IN INNOVATION (MOBILITY AND BUSINESS INTELLIGENCE), INTERNATIONAL DEVELOPMENT AND NEW PRODUCT RANGES

Mobility

Yourcegid Retail Mobile: new mobility solution for specialist retailers

Cegid has more than 1,000 retail customers worldwide, such as Aigle, Caroll, Devanlay Lacoste, Norauto, L'Occitane, Quiksilver and Louis Pion. In response to their omnichannel strategies, Cegid launched new solutions in the first half of 2012, including a new mobility application that turns the store into a service point.

Available in Apple or Windows environments, this new solution operates on iPod Touch, iPad and PDA type terminals and covers all the key in-store transactions.

Yourcegid Retail Mobile, Yourcegid Retail's mobility solution, offers both customer-oriented, front-office functions, including payment, sales assistance, item availability, as well as CRM, customer loyalty and after-sales service.

Yourcegid Retail Mobile also covers retailers' back-office needs, with merchandise management applications, for managing stock (reception, transfer), taking inventory and ticketing.

In this way, Yourcegid Retail Mobile enables retailers to focus on the customer's needs.

Business Intelligence

With Yourcegid Intelligence, Cegid now offers decision-support tools to companies in all business sectors, integrating new-generation business intelligence functions. This offering is based on a partnership between Cegid and QlikTech, the provider of the QlikView solution.

Coupled with a technology that loads data to be analyzed up to 100 times faster, the solution leverages Cegid's industry-specific knowledge. For each product, Cegid proposes the relevant indicators in a dashboard that users can personalize. Users can access the Business Intelligence module from their Yourcegid-equipped workstations, or, if they are traveling, from a browser on their smartphone or tablet. In this way, users can access their data even when they are not using the full application installed on their desktop computer.

The personnel management module currently embedded in the Yourcegid Human Resources range will gradually be extended to Cegid's other functional solutions.

International expansion

Cegid continued its efforts to expand its international presence and is considering entering the Brazilian, Russian and UAE markets.

Cegid's strategy distinguished itself in the first half, as Ted Baker, the British men's and women's fashion apparel brand with over 150 stores and 2011 sales of £215 million, chose Yourcegid Retail for its new Asian stores.

Ted Baker not only chose Yourcegid Retail for the complete management of sales outlets, but also to make light work of dealing with complex tax regimes and detailed management of customer relationships in the Asian market. The solution is available in English, traditional Chinese and Mandarin, Japanese, Korean and Thai.

Building on its success, Ted Baker is also pursuing its development in the United States, with new store openings, including a flagship store on New York's 5th Avenue. These stores will be equipped with Yourcegid Retail.

New taxation solutions

Yourcegid Etafi™: new generation of tax declaration and financial statement production solutions

Designed for SMEs and large companies and available in SaaS or license mode, this new solution offers many new functional and ergonomic features, and also handles new mobility, business intelligence and collaborative work needs.

Yourcegid Etafi™ is the fourth and most recent component of the Yourcegid Taxation range, released in 2009 and also composed of Yourcegid Etafi.fr (multiservice tax filing portal), Yourcegid Archiving (for consulting and analyzing all tax filings) and Yourcegid Taxes (central tax filing platform).

The new Yourcegid Etafi™ solution offers several new functions: customization settings centralized around a common database, traceability, auto-fill, data import, and a real-time consistency checker.

Thanks to the Etafi.fr multiservices portal integrated into the Yourcegid Etafi™ solution, users can file all their EDI-format taxes online, as well as use the internet to make advance payments and settle balances for the CVAE tax, corporate income tax and VAT. Yourcegid Etafi™ can also be used to make paperless DAS2-fee and IFU filings. Furthermore, it can generate CERFA forms for tax filings that cannot yet be made online, such as the corporate vehicle tax, and for personalized account reporting using standard desktop applications.

Yourcegid Etafi™ is also available in On Demand mode, enabling companies to choose how they use this secure, flexible and permanently available solution. With Yourcegid Etafi On Demand, users need not worry about installing updates every time a new tax requirement is introduced, as the collaborative filing platform is systematically updated by Cegid.

Tax declarations and prudential reporting: Cegid - C3S partnership

As part of its commitment to develop expertise in tax management and regulatory reporting and help customers navigate the rapidly changing legal and regulatory environment, Cegid has signed a partnership and reciprocal distribution agreement with C3S. The two companies will propose a complete and highly efficient solution combining Yourcegid Finance, Yourcegid Etafi and Baccara, a leading tax and regulatory reporting solution that meets the disclosure requirements of all types of insurance companies in France.

This agreement broadens Cegid's ecosystem. It brings together, in a comprehensive solution and using a single chart of accounts and interface, Yourcegid Finance for accounting, Yourcegid ETAFI™ for tax statements and Baccara for financial statements and notes, reports for the French bank and insurance supervisory authority (ACP) and federal guarantee system (SFG) reports for French mutual insurance companies. Baccara also produces prudential and solvency reports that companies must submit to the French tax authority (DGFiP) for Solvency II on the one hand and to the ACP on the other.

Thanks to Cegid's expertise in paperless tax filings, users enjoy a solution that is continually updated to reflect changes in online filing procedures.

CegidStore: expansion in sales channels

During the first half of the year, Cegid launched CegidStore, its website dedicated to the sale of software, training, services and equipment. The CegidStore is now open to everyone, whereas until now it was reserved for existing Cegid customers.

This new sales channel, simple and intuitive, complements Cegid's sales staff and its network of partner-resellers. It responds to the needs of small businesses, be they entrepreneurs, owner-managers, independent professionals or designers, enabling them to subscribe on line to Cegid's SaaS-mode solutions.

The accounting profession, SMEs and large companies will all find numerous "express" solutions, such as complementary modules, training and services. The catalogue offers more than 1,000 articles and is updated to reflect changes in requirements (N4DS standards, etc.). CegidStore offers a response to the new "anywhere, anytime" online purchase behavior. By becoming more agile, Cegid is strengthening its customer relationships.

Cegid is closer to customers

Cegid Manufacturing, Trade & Services

As part of a reorganization of its activities, Cegid announced, in January 2012, the creation of a Manufacturing, Trade & Services business unit (200 employees) dedicated to professionals working in these areas.

Through this change, Cegid will be able to offer its customers even more vertical integration, in particular in the automotive, aeronautics, life sciences, high tech and consumer packaged goods industries.

This new business unit will help Cegid pursue its objectives to develop its network of French distributors, accelerate its international development in the manufacturing sector, expand its ecosystem of application partners and integrators and beef up its range of solutions offered in SaaS mode.

Manufacturing solutions are available in seven languages and are used in more than 30 countries.

Cegid Finance Taxation

In January 2012, leveraging its expertise in accounting and financial management, with 35,000 users and more than 20 years of experience, Cegid created a business unit dedicated to professionals in finance and taxation, thereby reaffirming its ambition to be the leading software provider to companies of all sizes by creating a division dedicated entirely to their finance departments.

At a time when finance departments are taking on an increasingly important strategic dimension, the purpose of this new division (slightly more than 200 employees) is to group all of the strengths and expertise Cegid offers to CFOs into a single entity. Yourcegid Finance (accounting, cash management, taxation, WCR management, employee expense accounts, non-current assets, procurement, reporting, budgeting, consolidation) is available both in license and in SaaS modes.

3. Corporate social responsibility

Léon Bérard cancer research center

In the first quarter of the year, Cegid joined the Léon Bérard Center's cancer research fundraising campaign, with a two-year commitment. Cegid will donate €20,000 annually, plus an extra €3 for every order placed on its retail website www.cegidstore.com.

The Léon Bérard Center in the Rhône-Alpes region of France is a leading hospital specialized in treating cancer. The Center proposes, in a single location, a multidimensional approach to cancer patients. It cares for them both during and after their illness, from diagnosis to treatment to moral and psychological support. 1,300 people, including more than 400 researchers, now work in the university hospital, a recognized leader in cancer research.

By supporting the Léon Bérard Center's cancer research work, Cegid is promoting and highlighting the value of leading-edge research, validating the excellence and long-term commitment with which it wishes to be associated.

Already actively involved in health-related initiatives via the OL Fondation, Cegid also supports Petit Monde, a charity for sick children at the Women and Children's clinic in Bron, a Lyon suburb.

Cegid Education

As part of the Cegid Education program (created in 2004, now with more than 1,000 participating schools and more than 50,000 students trained every year), the Group pursued its commitment to IAE Lyon, inaugurating a new, specific curriculum offering a dual focus on management and IT systems. It will be offered starting in September 2012 as a continuing education course.

The SIMA training course uses various modules of the Yourcegid solution, equipping students with the skills necessary as managers or project owners (committee of end users) of a Management Information System project.

Moreover, Jean-Michel Aulas, Chairman of Cegid, served as an official patron of the 2012 graduating class and took part in the graduation ceremony for masters candidates at the IAE entity of the University of Lyon 3 "Jean Moulin", which has been training future managers for more than 50 years.

Finally, Cegid participated as a Gold partner of the International Conference on the University in the Digital Era (CIUEN*), which took place at the same time as the 21st global web conference in April 2012 in Lyon.

*CIUEN -the International Conference on the University in the Digital Era, founded in 2006 upon the initiative of France's higher education and research ministry: http://ciuen2012.org/

4. Risk factors

Risk factors did not change during the course of the first half of 2012. These factors are described on pages 56-58 of the 2011 Registration Document.

Integration of all activities related to the public sector (Civitas and Visa) into Cegid Public, created in June 2011, is being finalized. To take account of inherent risks in this transition phase, a non-recurrent expense of €0.6 million was recognized in the first half of 2012.

5. Transactions with related parties

During the first half of 2012, no significant transaction was carried out with an executive or with a shareholder who has significant influence over the Group.

6. Approval of parent company and consolidated financial statements

Cegid's parent company and consolidated financial statements for the first half of 2012 were approved by the Board of Directors on July 25, 2012.

7. Outlook

The strategy developed by Cegid, which has significantly augmented the recurrent nature of its sales over the past few years, should enable it to be resilient in the face of today's very unfavorable economic environment and to take advantage of any improvement therein.

In the near term, however, the Group has implemented action plans aimed at reducing its operating expenses, so as to be ready for possible further deterioration in economic conditions.

With its new, innovative solutions for mobility in the retail industry and in human resources, and with its new tax and reporting solutions, Cegid has numerous strengths it can use to pursue its expansion in the years to come, both in France and abroad:

- Cegid is specialized by business sector (Manufacturing, Services, Trading, Retail, Hospitality, CPAs, Associations, Entrepreneurs, Public sector) and by functional expertise (Finance, Taxation, Performance Management, Human Resources). It is in phase with companies wanting to modernize their business processes through targeted investments rather than via a complete overhaul of their IT systems.
- Cegid's sales are spread among eight business lines and, depending on the business, over companies of all sizes (SMEs, large companies and corporate groups).
- Cegid has an international presence in retailing that will gradually be extended to high-potential countries (Brazil, United Arab Emirates, Russia) and in the manufacturing sector.
- Cegid is positioned as a key player in SaaS (On Demand) solutions, in line with growing market demand for these services.
- Cegid is increasing its presence in cloud computing through strategic partnerships such as with IBM France, Orange Business Services (Yourcegid On Demand) and Microsoft. Under the IBM France agreement, Cegid will offer a private cloud based on the Infrastructure-as-a-Service (IaaS) model.
- Cegid has an installed base of more than 100,000 customers, including 25,000 connected small companies.
- Cegid's professional staff have developed in-depth knowledge over many years in the industries and functions Cegid targets.

8. Events since July 1, 2012

Acquisition of TDA: complementary "On Demand" software focused on personnel and finance issues for the accounting profession and corporate users

Cegid Group has acquired TDA International, a provider of solutions developed in full-web mode for the accounting profession and its SME customers.

Leveraging the success of its SaaS-mode solutions, Cegid is beefing up its ability to offer new advisory products in "On Demand" mode in the areas of personnel management (employee savings, pension commitments, independent professionals, personnel audits, etc.) and finance (reporting, sectoral comparison, forecasting, valuation, etc.) for the accounting profession and corporate users.

Thierry Sakref, founder and chief executive of TDA International will join Cegid along with his staff of 35 people.

With the acquisition of TDA International (€2.0 million in sales), whose customers include 1,100 CPAs and 900 other companies, Cegid also strengthens its full-web technological and functional expertise.

Allying TDA with Cegid will enable it to showcase its new full-web SaaS solutions in finance and personnel management at the CPAs convention in Paris on October 3-5, 2012. These solutions will gradually be integrated into the Cegid Expert and Quadra Expert suites. They will constitute new "On Demand" tools to help accounting professionals develop new business in personnel management and advisory services.

TDA International's solutions will be offered via all of Cegid's sales channels and in particular on the Wexperandyou portal and the CegidStore e-commerce site.

Since July 1, 2012, no other events have taken place that might have a significant impact on Cegid's assets, liabilities or financial position.

(in €000)	Notes	H1 2012	% of sales	H1 2011	% of sales	2011	% of sales
Sales	6.1	125,265	100.0%	126,006	100.0%	263,814	100.0%
Goods & services purchased and change in inventories		-17,174	13.7%	-17,069	13.5%	-36,810	14.0%
Gross profit		108,091	86.3%	108,937	86.5%	227,004	86.0%
Capitalized expenditures		16,692	13.3%	15,834	12.6%	32,005	12.1%
External expenses		-24,536	19.6%	-23,225	18.4%	-45,919	17.4%
Value-added		100,247	80.0%	101,546	80.6%	213,090	80.8%
Taxes other than income taxes		-3,810	3.0%	-3,733	3.0%	-7,566	2.9%
Personnel costs		-70,710	56.4%	-71,333	56.6%	-142,625	54.1%
EBITDA		25,727	20.5%	26,479	21.0%	62,899	23.8%
Other ordinary income	6.2	226	0.2%	261	0.2%	964	0.4%
Other ordinary expenses		-663	0.5%	-394	0.3%	-1,446	0.5%
Depreciation, amortization and provisions		-19,327	15.4%	-17,326	13.8%	-33,357	12.6%
Income from ordinary activities		5,963	4.8%	9,020	7.2%	29,060	11.0%
Other operating income		2,057	1.6%	147	0.1%	661	0.3%
Other operating expense		-2,057	-1.6%	-131	-0.1%	-1,505	-0.6%
Operating income		5,963	4.8%	9,036	7.2%	28,216	10.7%
Financial income		160	0.1%	100	0.1%	191	0.1%
Financial expense		-1,619	1.3%	-1,001	0.8%	-2,015	0.8%
Net financial expense	6.3	-1,459	-1.2%	-902	-0.7%	-1,824	-0.7%
Pre-tax income		4,504	3.6%	8,135	6.5%	26,392	10.0%
Income tax	6.4	-1,691	1.3%	-3,141	2.5%	-9,878	3.7%
Share in net income of equity-accounted subsidiaries		-267		-224		-337	
Net income		**2,546**	**2.0%**	**4,770**	**3.8%**	**16,177**	**6.1%**
Net income attributable to parent company shareholders		**2,548**	**2.0%**	**4,770**	**3.8%**	**16,178**	**6.1%**
Net income attributable to non-controlling interests		-2				-1	
Average number of shares		8,808,917		8,809,970		8,807,171	
EARNINGS PER SHARE ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS		**€0.29**		**€0.54**		**€1.84**	

Statement of comprehensive income (in €000)	H1 2012	H1 2011	2011
Exchange differences	-14	-4	-11
IAS 19 Amendment	-1,532	160	50
Securities measured at fair value			
Deferred taxes	527	-55	-17
Total comprehensive income recognized during the period	**1,002**	**4,871**	**16,200**

Assets (in €000)	Notes	6/30/2012	12/31/2011	6/30/2011
Goodwill	5.1.1	193,128	193,097	194,371
Intangible assets	5.1.3	75,119	73,184	72,870
Property, plant & equipment	5.1.4	6,313	6,735	5,955
Non-current financial assets	5.1.5 & 5.3	2,341	2,557	2,547
Equity-accounted subsidiaries	5.1.6	497	765	877
Other receivables	5.3	2,788	2,493	2,150
Deferred taxes	5.4	2,146	2,221	73
Non-current assets		**282,332**	**281,052**	**278,842**
Inventories and work-in-progress	5.2.1	966	1,192	1,120
Trade receivables and similar accounts	5.2.1 & 5.3	63,096	71,661	62,606
Other receivables and prepaid items				
Personnel		821	664	716
Sales tax receivable		3,179	3,244	3,191
Income tax receivable		2,621	69	1,377
Other receivables		2,221	2,173	2,392
Prepaid expenses		4,792	3,620	4,110
Cash and cash equivalents	5.2.2	1,726	1,465	2,622
Current assets		**79,422**	**84,088**	**78,134**
TOTAL ASSETS		**361,754**	**365,140**	**356,976**

LIABILITIES & SHAREHOLDERS' EQUITY (€000)	Notes	6/30/2012	12/31/2011	6/30/2011
Share capital		8,771	8,771	8,771
Share premium		95,241	95,241	95,241
Reserves		66,591	60,680	61,002
Net income for the year		2,548	16,178	4,770
Shareholders' equity attributable to parent company shareholders		173,151	180,870	169,784
Non-controlling interests		13	14	1
Total shareholders' equity	**5.5**	**173,164**	**180,884**	**169,785**
Financial liabilities (portion > 1 year)	5.3	74,938	63,528	74,620
Acquisition-related debt (portion > 1 year)	5.3	4,049	4,293	4,225
Deferred taxes	5.4	4,914	5,436	5,423
Provisions for pension obligations and employee benefits	5.6.1	12,382	10,403	9,960
Non-current liabilities		**96,283**	**83,660**	**94,228**
Provisions for other liabilities (portion < 1 year)	5.6.2	4,424	6,383	5,996
Financial liabilities (portion < 1 year)	5.3	827	1,746	796
Trade accounts payable & similar accounts	5.3	21,659	24,034	20,349
Tax and social security liabilities	5.3			
Personnel		35,139	39,949	34,732
Other taxes and employee-related liabilities		1,649	1,816	1,973
Sales tax payable		4,925	6,690	5,135
Income tax payable		166	1,323	117
Other liabilities				
Acquisition-related debt (portion < 1 year)		250	250	400
Payables related to acquired non-current assets (portion < 1 year)		1,186	1,215	487
Other liabilities and unearned revenue				
Other current liabilities		5,324	7,325	6,079
Unearned revenue		16,758	9,865	16,899
Current liabilities		**92,307**	**100,596**	**92,963**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		**361,754**	**365,140**	**356,976**

(in €000)	6/30/2012	12/31/2011	6/30/2011
Net income	2,546	16,178	4,770
Share in net income of equity-accounted subsidiaries	267	337	224
Depreciation, amortization & provisions and elimination of non-cash revenue and expense items	16,968	34,552	17,437
Capital gains and losses on disposal of non-current assets	29		
Interest expense	615	1,484	668
Tax expense	1,691	9,878	3,141
Cash flow generated by the business	22,116	62,429	26,240
Interest paid	-534	-1,293	-564
Tax paid	-5,187	-8,725	-5,325
Cash flow after interest and tax paid	16,395	52,411	20,351
Change in inventories	85	-292	-220
Change in accounts receivable	15,458	-3,812	12,275
Change in other receivables	-143	-1,113	-1,039
Change in trade payables	-3,547	-103	-4,270
Change in other payables	-8,527	7,477	-650
Change in working capital requirement	3,326	2,157	6,096
Net cash from operating activities	**19,721**	**54,568**	**26,447**
Acquisition of intangible assets	-18,394	-32,908	-16,154
Acquisition of property, plant & equipment	-1,014	-3,306	-1,122
Acquisition of non-current financial assets	-311	-1,051	-700
Acquisition of companies net of acquired cash	-579	-4,096	-3,992
Disposal or decrease in non-current assets	8	127	129
Net cash from investing activities	**-20,290**	**-41,234**	**-21,839**
Dividends paid to parent company shareholders	-9,252	-9,250	-9,250
Drawdowns under medium-term lines of credit	75,000	64,000	75,000
Repayment of medium-term lines of credit	-64,000	-70,000	-70,000
Change in other financial debt	44	192	
Net cash from financing activities	**1,792**	**-15,059**	**-4,250**
Opening cash and cash equivalents	136	1,861	1,861
Change in cash and cash equivalents	**1,223**	**-1,725**	**358**
Closing cash and cash equivalents	**1,359**	**136**	**2,219**

(in €000)	6/30/2012	12/31/2011	6/30/2011
Marketable securities	215		929
Cash	1,511	1,465	1,693
Bank overdrafts	-367	-1,330	-403
Intercompany accounts (credit balances)			
Closing cash and cash equivalents	**1,359**	**136**	**2,219**

(in €000)	SHAREHOLDERS' EQUITY ATTRIBUTABLE TO								TOTAL
	parent company shareholders							attributable to non-controlling interests	
	Share capital	Share premium	Other shareholders' equity	Reserves and retained earnings	Treasury shares	Income or loss recognized directly in equity	Total attributable to parent company shareholders		
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**	**-1,997**	**169,784**	**1**	**169,785**
Second half 2011 net income				11,408			11,408	-1	11,407
Shares held in treasury				-135	87		-48		-48
Exchange differences				-196		-7	-203		-203
IAS 19 Amendment						-71	-71		-71
Changes in scope								14	14
Shareholders' equity at 12/31/2011	**8,771**	**95,241**		**86,482**	**-7,549**	**-2,075**	**180,871**	**14**	**180,884**
First half 2012 net income				2,548			2,548	-2	2,546
Shares held in treasury				-4	69		65		65
Exchange differences				-62		-14	-76		-76
IAS 19 Amendment						-1,004	-1,004		-1,004
Dividends paid by the Company				-9,252			-9,252		-9,252
Shareholders' equity at 6/30/2012	**8,771**	**95,241**		**79,712**	**-7,480**	**-3,093**	**173,152**	**13**	**173,164**

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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 2012 consolidated financial statements. These condensed consolidated financial statements were approved by the Board of Directors on July 25, 2012.

1. Significant events in H1 2012

Effective January 1, 2012, 21S entered into an agreement under which all of its assets will be managed by Quadratus.

Cegid SA created Cegid Portugal (Porto) in May 2012 and Cegid Academy in June 2012.

Apart from the information indicated above, no specific events took place other than those mentioned in the first half management report.

2. Compliance statement

The condensed consolidated financial statements for the first half of 2012 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, 2012. These principles are the same as those applied for the preparation of consolidated financial statements for the full year ended December 31, 2011.

This information and the detailed notes hereafter were prepared on the basis of the new standards and interpretations in force on June 30, 2012 and applicable to fiscal years beginning on January 1, 2012 or later, specifically:

- The amendments to IFRS 7, "Financial instruments: Disclosures – Transfers of financial assets".

This change did not affect the financial statements presented on June 30, 2012.

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, 2011.

The financial statements are presented in thousands of euros.

Cegid has applied the disclosure and presentation rules defined in IAS 34 "Interim financial reporting". 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, 2011.

The full set of accounting principles is detailed in the consolidated financial statements for the year ended December 31, 2011 and integrated into the 2011 Reference Document filed with the AMF on April 18, 2012 under the number D.12-0364.

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,
- non-current 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 2011 consolidated financial statements.

Goodwill on the balance sheet as of June 30, 2012 is determined and measured in accordance with Note 2.1.2 to the 2011 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. For business combinations prior to December 31, 2009, changes to earn-outs are recognized in goodwill.

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, 2012 according to the methods detailed in Note 2.2 to the 2011 consolidated financial statements.

3.6 Impairment tests

An impairment test is performed, if necessary, as described in Note 2.3 to the 2011 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, 2012 was 3%, versus 4% at December 31, 2011.

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, 2012 are shown in Note 5.6.

3.8 Provisions

Provisions for contingencies and losses were recognized in full as of June 30, 2012 if the event giving rise to it met the conditions specified in Note 2.13 to the 2011 consolidated financial statements.

3.9 Financial instruments

Financial instruments consolidated on June 30, 2012, were recognized in accordance with the rules detailed in Note 2.11 to the 2011 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, 2012, in accordance with Note 2.5 to the 2011 consolidated financial statements.

4. SCOPE OF CONSOLIDATION

Sociétés	Head office Siren code	Business	Months consolidated	% control 6/30/2012	% ownership 6/30/2012	% ownership 12/31/2011	
CEGID GROUP SA	Lyon 327888111	Holding company	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	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 INGÉNIERIE SA	Lyon 422993428	Software development	6	99.35	99.35	99.35	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 PORTUGAL [1]	Lisbon	Software distribution	2	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
ASPX SARL	Lyon 430048462	Software development	6	100.00	100.00	100.00	Full
Company held by 21S Ingénierie [2]							
IROISE Ltee [2]	Mauritius	Software development	6	99.33	99.33	99.33	Full
Company held by ASPX							
CEMAGID SAS	Lyon 4287144299	Software development	6	50.00	50.00	50.00	EQ
Company held by Cegid HK Ltd							
CEGID Software LTD	China Shenzhen	Software distribution	6	100.00	100.00	100.00	Full

Full: Full consolidation
EQ: Equity-accounted

[1] Cegid Portugal was created on May 2, 2012.
[2] Iroise was renamed Cegid Mauritius on July 2, 2012.

The company Cegid Academy, created in June 2012, was not consolidated as of June 30, 2012.

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, 2012, the impairment test described in Note 2.3 to the 2011 consolidated financial statements was not performed. It will be performed as of December 31, 2012.

Changes during the period broke down as follows:

(in €000)	6/30/11	12/31/11	Increases	Decreases	6/30/12
Cegid	169,117	167,059		-60	166,999
Quadratus	16,242	16,242			16,242
Cegid Public	9,011	9,795	92		9,887
TOTAL	**194,371**	**193,097**	**92**	**-60**	**193,128**

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	7,650	166,999
Quadratus			16,242
Cegid Public	900	3,237	9,887
TOTAL	**1,900**	**10,887**	**193,128**

5.1.2 Business combinations

(in €000)	Acquisition cost	Assets acquired/ liabilities assumed	Identified intangible assets	Goodwill
Cegid Portugal, created on 5/2/2012	350		350	
TOTAL	**350**		**350**	

(in €000)	Customer relationships and brands	Deferred tax liabilities	Fair value of intangible assets
Cegid Portugal, created on 5/2/2012	350		350
TOTAL	**350**		**350**

At this stage, the fair value of the assets and liabilities of the companies subject to business combinations during the first half of the year has not been finalized. See Note 2.1.1 "Business combinations" to the 2011 financial statements.

5.1.3 Intangible assets

Changes during the period broke down as follows:

(in €000)	6/30/11	12/31/11	Changes in scope	Increases	Decreases	6/30/12
Development costs	273,361	285,824		17,956		303,780
Concessions, patents	7,421	7,367		490	-32	7,825
Customer relationships and brands [1]	13,600	12,437	350	350		12,787
Other intangible assets	637	757				757
Gross amounts	**295,019**	**306,386**	**350**	**18,796**	**-32**	**325,150**
Development costs	-213,739	-224,258		-15,760		-240,018
Concessions, patents	-5,587	-5,665		-605	16	-6,254
Customer relationships and brands, other intangible assets	-2,823	-3,278		-428		-3,706
Depreciation	**-222,149**	**-233,201**		**-16,793**	**16**	**-249,978**
Net intangible assets	**72,870**	**73,184**	**350**	**2,003**	**-16**	**75,171**

[1] See Note 2.1.1"Business combinations" to the 2011 financial statements.

5.1.4 Property, plant & equipment

Changes during the period broke down as follows:

(in €000)	6/30/11	12/31/11	Increases	Decreases	6/30/12
Technical facilities, equipment and industrial supplies	13,691	14,671	757	-567	14,861
Other property, plant & equipment	9,208	9,640	257	-148	9,749
Gross amounts	**22,899**	**24,311**	**1,014**	**-715**	**24,610**
Technical facilities, equipment and industrial supplies	-10,604	-10,857	-761	360	-11,258
Other property, plant & equipment	-6,341	-6,720	-452	132	-7,040
Depreciation	**-16,945**	**-17,576**	**-1,213**	**492**	**-18,297**
Net property, plant & equipment	**5,955**	**6,735**	**-199**	**-223**	**6,313**

5.1.5 Investments and other financial assets

Changes during the period broke down as follows:

(in €000)	6/30/11	12/31/11	Increases	Decreases	6/30/12
Equity investments and related receivables	792	792	5	-2	795
Other non-current investments	182	182			182
Impairment losses	-294	-294	-304		-598
Total financial investments [1]	**680**	**680**	**-299**	**-2**	**379**
Deposits and guarantees	560	555	28	-13	570
Loans	1,025	1,028	8		1,036
Impairment losses on loans and deposits	-107	-107			-107
Loans and deposits	**1,478**	**1,475**	**36**	**-13**	**1,498**
Other financial assets	389	402	131	-69	464
Net non-current financial assets	**2,547**	**2,557**	**-132**	**-84**	**2,341**

[1] Financial investments broke down as follows:

(in €000)	6/30/12	12/31/11	6/30/11
Financial assets measured at fair value	795	792	792
Impairment losses	-596	-292	-292
Total	**199**	**500**	**500**
Other securities	182	182	182
Impairment losses	-2	-2	-2
Other non-current investments	**180**	**180**	**180**
Total financial investments	**379**	**680**	**680**

5.1.6 Equity-accounted subsidiaries

(in €000)	6/30/12	12/31/11	6/30/11
Opening balance	765	1,102	1,102
Dividends			
Changes in scope			
Share in net income of equity-accounted subsidiaries	-267	-337	-224
Closing balance	**497**	**765**	**877**

5.2 Changes in current assets

5.2.1 Changes related to impairment of current assets

(in €000)	6/30/11	12/31/11	Change in scope of consolidation	Increases	Decreases	6/30/12
Inventories and work-in-progress	22	8			-2	6
Trade receivables and similar accounts	8,946	8,320		2,647	-1,953	9,014
Other receivables	44	44				44
TOTAL	**9,012**	**8,371**		**2,647**	**-1,955**	**9,063**

5.2.2 Cash and cash equivalents

(in €000)	6/30/12	12/31/11	6/30/11
Shares of mutual funds	215		929
Cash	1,511	1,465	1,693
TOTAL	**1,726**	**1,465**	**2,622**

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 6/30/2012	Carrying value	Method
Financial assets measured at fair value	196	1
Other non-current financial assets	379	3
Cash	1,726	1
Financial assets measured at fair value	**2,301**	

Financial liabilities (in €000) as of 6/30/2012	Carrying value	
Acquisition-related debt	4,299	2
Financial liabilities measured at fair value	**4,299**	

Financial assets (in €000) as of 12/31/2011	Carrying value	Method
Financial assets measured at fair value	500	1
Other non-current financial assets	380	3
Cash	1,465	1
Financial assets measured at fair value	**2,345**	

Financial liabilities (in €000) as of 12/31/2011	Carrying value	
Acquisition-related debt	4,543	2
Financial liabilities measured at fair value	**4,543**	

(in €000) as of 6/30/2012	Carrying value	Financial assets at fair value through profit or loss	Available-for-sale assets	Loans and receivables
Financial assets measured at fair value	196		196	
Other non-current financial assets	647		378	269
Loans	1,035			1,035
Deposits and guarantees	463			463
Other non-current receivables	2,788			2,788
Trade accounts receivable	63,096			63,096
Other short-term receivables	8,842			8,842
Cash	1,726	1,726		
Financial assets	**78,793**	**1,726**	**574**	**76,493**

	Carrying value	Financial liabilities at fair value through profit or loss	Debt at amortized cost	Other liabilities
Medium-term line of credit	74,938		74,938	
Acquisition-related debt	4,299			4,299
Trade payables	21,659			21,659
Other current liabilities	48,389			48,389
Current financial liabilities	827			827
Financial liabilities	**150,112**		**74,938**	**75,174**

(in €000) as of 12/31/2011	Carrying value	Financial assets at fair value through profit or loss	Available-for-sale assets	Loans and receivables
Financial assets measured at fair value	500		500	
Other non-current financial assets	582		380	202
Loans	1,027			1,027
Deposits and guarantees	449			449
Other non-current receivables	2,493			2,493
Trade accounts receivable	71,661			71,661
Other short-term receivables	6,150			6,150
Cash	1,465	1,465		
Financial assets	**84,326**	**1,465**	**880**	**81,981**

	Carrying value	Financial liabilities at fair value through profit or loss	Debt at amortized cost	Other liabilities
Medium-term line of credit	63,528		63,528	
Acquisition-related debt	4,543			4,543
Trade payables	24,034			24,034
Other current liabilities	58,365			58,365
Current financial liabilities	1,746	1,330		417
Financial liabilities	**152,216**	**1,330**	**63,528**	**87,359**

5.3.2 Assets and liabilities, undiscounted and by maturity

(in €000) as of 6/30/2012	One year or less	1 to 5 years	more than 5 years
Other non-current receivables		1,046	
Financial assets		**1,046**	
Medium-term line of credit		75,000	
Acquisition-related debt	250	4,390	
Financial liabilities	**250**	**79,390**	

(in €000) as of 12/31/2011	One year or less	1 to 5 years	more than 5 years
Other non-current receivables		1,046	
Financial assets		**1,046**	
Medium-term line of credit		64,000	
Acquisition-related debt	250	4,429	
Financial liabilities	**250**	**68,429**	

5.4 Other changes

Breakdown of deferred tax assets and liabilities

(in €000)	12/31/11	Other changes	Impact on earnings	6/30/12
Deferred tax assets	2,221		-75	2,146
Deferred tax liabilities	5,436	-529	7	4,914

As of June 30, 2012, unrecognized deferred tax assets of French companies totaled €81 thousand and of foreign companies, €2,757 thousand (€34 thousand and €2,446 thousand, respectively as of December 31, 2011). These amounts represented tax-loss carryforwards.

5.5 Notes to shareholders' equity

5.5.1 Share capital

	Number of shares	Par value (in €)	Share capital (in €)	Share premium (in €)
As of 6/30/2011	9,233,057	0.95	8,771,404	95,241,125
As of 12/31/2011	9,233,057	0.95	8,771,404	95,241,125
As of 6/30/2012	**9,233,057**	**0.95**	**8,771,404**	**95,241,125**

	6/30/11	12/31/11	Changes	6/30/12
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

	6/30/2012	2011	6/30/2011
Number of shares at end of period	9,233,057	9,233,057	9,233,057
Average number of shares during the period	8,808,917	8,807,171	8,809,970
Number of shares held in treasury at end of period	424,140	429,442	424,908
Consolidated net income			
Net income attributable to parent company shareholders (in €M)	2.55	16.18	4.77
Earnings per share attributable to parent company shareholders (in €) [1]	0.29	1.84	0.54
Fully diluted earnings per share attributable to parent company shareholders (in €) [2]	0.29	1.84	0.54

[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

Provisions for pension obligations and employee benefits (in €000)	6/30/12	12/31/11	6/30/11
Present value of commitments at start of period	**10,403**	**9,444**	**9,444**
Changes in scope		261	261
Financial costs	220	415	208
Current service costs	346	644	346
Amortization of unrecognized past service costs	35	69	35
Benefits paid during the period - long service awards	-154	-381	-173
Projected present value of commitments at end of period	**10,850**	**10,452**	**10,120**
Actuarial gains and losses / experience adjustments	-181	-49	-160
Actuarial gains and losses / changes in assumptions	1,713		
Present value of commitments at end of period	**12,382**	**10,403**	**9,960**

5.6.2 Current provisions

(in €000)	6/30/11	12/31/11	Increases	Used decreases	Unused decreases	6/30/12
Labor disputes [1]	2,061	3,207	140	-2,328	-143	876
Customer disputes	3,154	2,616	670	-366	-224	2,696
Reorganization plans	398	364				364
Other	383	197	295	-3		489
TOTAL	**5,996**	**6,383**	**1,105**	**-2,697**	**-367**	**4,424**

[1] The change corresponds primarily to the settlement of a dispute related to VCS Timeless that originated prior to its acquisition.

5.7 Breakdown of liabilities by maturity

(in €000)	6/30/12	One year or less	1 to 5 years	more than 5 years
Financial debt	75,765	827	74,938	
Trade payables	21,659	21,659		
Tax and social security liabilities	41,879	41,879		
Payables related to acquired property, plant & equipment	5,485	1,436	4,049	
Other liabilities and unearned revenue	22,082	22,082		
TOTAL	**166,870**	**87,883**	**78,987**	

6. NOTES TO THE INCOME STATEMENT

6.1 Breakdown of sales

6.1.1 By type of business

(in €000)	First half 2012	First half 2011	2011
Licenses	14,526	16,814	39,018
SaaS	12,244	9,448	19,903
Maintenance	50,458	49,547	99,765
Other	2,218	2,714	6,574
Total Software and software-related services (SSRS)	**79,446**	**78,523**	**165,260**
Professional services	30,190	32,341	66,980
Total SSRS and professional services	**109,636**	**110,864**	**232,240**
Hardware distribution and other	15,629	15,142	31,574
TOTAL	**125,265**	**126,006**	**263,814**

6.1.2 By industry segment

(in €000)	First half 2012	First half 2011	2011
CPAs and very small companies	30,428	30,139	67,807
Services, Trading, Cleaning, general business	41,858	39,758	81,977
Manufacturing	12,681	12,965	26,746
Fashion, Specialist retailing	22,829	22,048	45,728
Construction, Hospitality	9,451	10,594	20,592
Public sector	8,018	10,502	20,964
TOTAL	**125,265**	**126,006**	**263,814**

6.2 Other operating income and expense

(in €000)	First half 2012	First half 2011	2011
Impact of reorganization plans [1]	2,057	20	534
Divestments		127	127
Negative goodwill recognized as income			
Other operating income	**2,057**	**147**	**661**
Impact of reorganization plans [1]	-2,057	-4	-1,378
Divestments		-127	-127
Payments in relation to partnerships			
Other operating expense	**-2,057**	**-131**	**-1,505**

[1] Corresponds primarily to the settlement of a dispute related to VCS Timeless that originated prior to its acquisition.

6.3 Net financial expense

(in €000)	First half 2012	First half 2011	2011
Financial income from equity investments	15	10	24
Income from investments	20	59	42
Income related to discounting	57	29	59
Write-back of financial provisions	2		
Other financial income	66		66
Financial income	**160**	**99**	**191**
Interest expense on loans and other borrowings	-615	-668	-1,484
Expense related to discounting	-419	-45	-91
Financial provisions	-524	-208	-415
Other financial expense	-61	-80	-25
Financial expense	**-1,619**	**-1,001**	**-2,015**
Net financial expense	**-1,459**	**-902**	**-1,824**

6.4 Taxes

6.4.1 Breakdown of tax expense

(in €000)	First half 2012	First half 2011	2011
Current tax	-1,434	-2,154	-8,511
Deferred tax	-257	-987	-1,367
TOTAL	**-1,691**	**-3,141**	**-9,878**

6.4.2 Tax reconciliation

(in €000)	First half 2012	%	First half 2011	%
Pre-tax income	**4,504**		**8,134**	
Theoretical tax [1]	-1,626	36.10%	-2,801	34.43%
Effect of permanent differences	-225	5.00%	-79	0.97%
Losses of foreign subsidiaries	-57	1.27%	-160	1.97%
Use of tax-loss carryforwards			21	-0.26%
Tax credits	203	-4.51%	127	-1.56%
Rate effects and miscellaneous	14	-0.31%	-250	3.07%
Income tax	**-1,691**	**-37.54%**	**-3,141**	**-38.61%**

[1] The theoretical rate for the first half of 2012 reflects the exceptional 5% contribution introduced as of January 1, 2011.

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 received as asset and liability guarantees	3,302	2,440	
Guarantees received as part of company acquisitions	50	600	

7.2.2 Bank lines of credit

(in €000)	6/30/12	from 7/1/2012 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 6/30/2012	*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 one or both of the loan agreements or in the event of non-payment of a tax or social welfare contribution, unless it has been contested..

Cegid 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, 2012, 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 2012 were as follows:

(in €000)	First half 2012	First half 2011	2011
Trade receivables, gross	233	268	250
Operating liabilities	598	795	671

(in €000)	First half 2012	First half 2011	2011
Executive management fees	-1,264	-1,342	-2,952
Other external expenses	-44	-178	-257
Operating expenses	**-1,308**	**-1,520**	**-3,208**
Overheads	251	269	408
Operating revenue	**251**	**269**	**408**

9. EVENTS SUBSEQUENT TO JUNE 30, 2012

On July 25, 2012, Cegid acquired 100% of TDA International.

Statutory auditors' report

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 condendsed consolidated financial statements for Cegid Group SA, covering the six-month period from January 1 to June 30, 2012,
- 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 26, 2012

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 first half 2012 consolidated 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 stock code

Reuters: CEGI.PA Bloomberg: CGD FP

Number of shares at June 30, 2012: 9,233,057

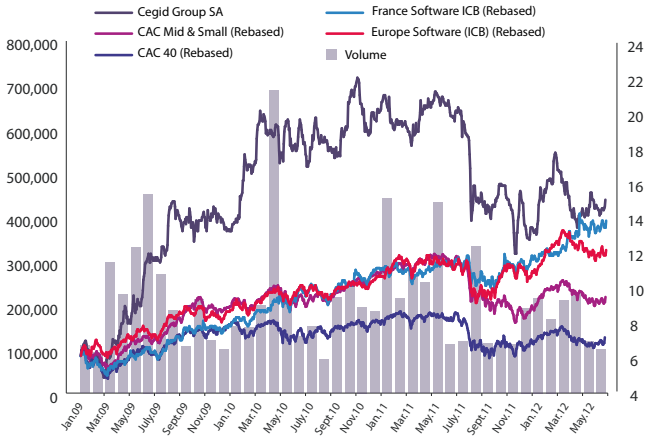
Cegid Group shares have been listed since 1986 and trade on Euronext Paris - Compartment C

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

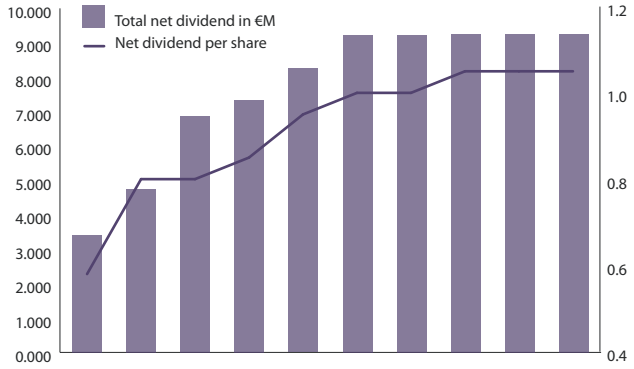
Shareholders as of June 30, 2012

Share capital as of June 30	Number of shares	% capital	% voting rights
Groupama group	2,482,531	26.89	25.47
ICMI	927,604	10.05	13.88
Ulysse/Tocqueville Funds	338,909	3.67	6.90
Executive Board (excl. ICMI)	75,847	0.82	0.79
Treasury shares	423,799	4.59	-
Free float	4,984,367	53.98	52.96
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 10, 2012 Ordinary Meeting, Cegid distributed a dividend of €1.05 per share on 2011 earnings on May 18, 2012.

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'Uzès: Catherine Vial

Calendar

- Thursday, October 11, 2012: 3rd quarter 2012 sales*
- Thursday, January 24, 2013: 4th quarter 2012 sales*

* after the market close.

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