PRESS RELEASE

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GLOBAL GRAPHICS REPORTS SECOND QUARTER AND FIRST HALF 2012 RESULTS

Pompey (France), Thursday 30 August 2012 - GLOBAL GRAPHICS SA (NYSE-Euronext: GLOG), experts in developing e-document and printing software, announces its consolidated results for the quarter and the six-month period ended 30 June 2012, and reports sales of Euro 2.4 million, ahead of management's expectations, and a nominal adjusted pre-tax loss for the second quarter of 2012.

Comparisons for the second quarter of the financial year ending 31 December 2012 with the same quarter of the previous financial year include:

- sales of Euro 2.4 million this quarter (Euro 2.2 million at Q2 2011 exchange rates) compared with Euro 2.1 million in Q2 2011;
- an operating loss of Euro 0.1 million this quarter, compared with a nominal operating profit in Q2 2011;
- a nominal adjusted operating loss this quarter, compared with an adjusted operating loss of Euro 0.2 million in Q2 2011;
- a nominal adjusted pre-tax loss this quarter (or an adjusted pre-tax loss of Euro 0.00 per share), compared with an adjusted pre-tax loss of Euro 0.2 million in Q2 2011 (or an adjusted pre-tax loss of Euro 0.02 per share);
- a net loss of Euro 0.1 million this quarter (or a net loss of Euro 0.01 per share), as was the case in Q2 2011; and
- an adjusted net loss of Euro 0.1 million this quarter (or an adjusted net loss of Euro 0.01 per share), compared with an adjusted net loss of Euro 0.2 million in Q2 2011 (or an adjusted net loss of Euro 0.02 per share).

Commenting on the quarter's performance, Gary Fry, Global Graphics' Chief Executive Officer, said: "I am pleased to report that our sales performance in the second quarter of the current financial year is ahead of expectations and that our cash position remains strong.
"We signed five contracts during the quarter, two of which give us a foothold in the mid-range digital print market and another in the market for managed print services. We were also very pleased to announce that our relationship with HP continues to expand, and that the Harlequin RIP has been chosen to drive HP's Print Module System which was unveiled at drupa last May. This tradeshow was very successful for us as a platform to communicate to the industry the superiority of our Harlequin RIP technology for high-speed digital printing applications.
"In the electronic document segment, the gDoc Binder platform has been rolled out to 100 lawyers by a London law firm, Speechly Bircham. This technology continues to gain traction in the legal market and is being actively promoted by our system integrator partners."

Analysis of the Company's performance during the quarter and six months to 30 June 2012
A detailed discussion of the Company's financial performance during the quarter and the six-month period ended 30 June 2012, notably including a comparison with the previous financial year's comparative periods, is included in notes 2 and 3 to the interim management report of the Company's Board of Directors for the quarter and the six-month period ended 30 June 2012, which is attached to this press release, together with the condensed consolidated interim financial statements for the same periods.

CEO comments on future prospects
Gary Fry added: "Our Harlequin and Jaws OEM partners have informed us that they had a very good drupa tradeshow: we therefore anticipate that this should result in additional revenues for the remainder of this year and into the next financial year. We also had a very positive reaction from major digital print vendors about the results of our independent performance testing on the Harlequin RIP.

Second quarter and first six months of 2012 conference call details
Global Graphics will hold a conference call today at 09.00 CET about its results for the quarter and the six-month period ended 30 June 2012.
Callers should dial +44 (0)20 7162 0077 and mention conference ID "920413 Global Graphics quarterly results" to the operator.
The call will be available for replay for 7 working days by dialing number +44 (0)20 7031 4064 (freephone number UK only: 0800 358 1860), access code 920413.

Third quarter and first nine months of 2012 results announcement
Global Graphics expects to announce its consolidated interim results for the quarter and the nine-month period ending 30 September 2012 on Friday 26 October 2012 before market opening.

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

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

STATUTORY AUDITORS' REVIEW REPORT
ON THE 2012 HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012
Free translation of the French language original
Provided solely for the convenience of English-speaking readers

Dear shareholders,

Following our appointment as statutory auditors by your shareholders' meetings and in accordance with article L.451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we hereby report to you on:
- the review of the accompanying condensed half-yearly consolidated financial statements of Global Graphics SA for the six-month period ended 30 June 2012;
- the verification of information included in the half-yearly management report.

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

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

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

Villers-lès-Nancy and Nancy, 29 August 2012

KPMG Audit A subsidiary of KPMG SA	Secef Sarl
Christophe Bernard Partner	Philippe Gibello Partner

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

In thousands of euros Except per share data in euro	Quarter ended 30 June 2012 Unaudited, unreviewed figures	Quarter ended 30 June 2011 Unaudited, unreviewed figures	Six-month period ended 30 June 2012 Unaudited figures	Six-month period ended 30 June 2011 Unaudited figures
Sales	2,429	2,117	4,477	4,195
Cost of sales	(111)	(106)	(194)	(213)
GROSS PROFIT	2,318	2,011	4,283	3,982
Selling, general & admin. expenses	(1,079)	(1,071)	(2,176)	(2,169)
Research and development expenses	(1,338)	(1,097)	(2,517)	(2,298)
Other operating expenses (note 5a)	0	0	0	0
Other operating income (note 5b)	0	164	0	205
OPERATING PROFIT (LOSS)	(99)	7	(410)	(280)
Interest income (note 6)	0	1	1	3
Interest expenses (note 6)	0	(18)	0	(26)
Net foreign exchange gains (losses)	(11)	25	(30)	(15)
PROFIT (LOSS) BEFORE INCOME TAX	(110)	15	(439)	(318)
Income tax benefit (expense) (note 7)	(14)	(68)	(8)	168
NET LOSS	(124)	(53)	(447)	(150)
NET LOSS PER SHARE (note 8)				
Basic net loss per share	(0.01)	(0.01)	(0.04)	(0.01)
Diluted net loss per share	(0.01)	(0.01)	(0.04)	(0.01)

The accompanying selected explanatory notes are an integral part of the Company’s condensed consolidated interim financial statements as at and for the quarter and the six-month period ended 30 June 2012.

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

In thousands of euros Except per share data in euro	Quarter ended 30 June 2012 Unaudited, unreviewed figures	Quarter ended 30 June 2011 Unaudited, unreviewed figures	Six-month period ended 30 June 2012 Unaudited figures	Six-month period ended 30 June 2011 Unaudited figures
Net loss for the period	(124)	(53)	(447)	(150)
Items never reclassified subsequently to profit or loss	0	0	0	0
Items that may be reclassified subsequently to profit or loss:				
- Exchange differences on translating foreign operations	631	(304)	611	(722)
- Income tax on items that may be reclassified subsequently to profit or loss	0	0	0	0
Total items that may be reclassified subsequently to profit or loss	631	(304)	611	(722)
Other comprehensive income (loss) for the period, net of income tax	631	(304)	611	(722)
Total comprehensive income (loss) for the period	507	(357)	164	(872)

The accompanying selected explanatory notes are an integral part of the Company's condensed consolidated interim financial statements as at and for the quarter and the six-month period ended 30 June 2012.

GLOBAL GRAPHICS SA AND SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

In thousands of euros	30 June 2012 Unaudited figures	31 December 2011
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	423	441
Other intangible assets (note 9)	5,551	5,330
Goodwill (note 10)	7,104	6,822
Financial assets	115	108
Deferred tax assets, net	54	53
TOTAL NON-CURRENT ASSETS	13,247	12,754
CURRENT ASSETS		
Inventories	22	23
Trade receivables (note 11)	1,978	1,752
Current income tax receivables	99	11
Other current receivables	63	62
Prepaid expenses	611	481
Cash	1,541	2,315
TOTAL CURRENT ASSETS	4,314	4,644
TOTAL ASSETS	17,561	17,398
LIABILITIES AND SHAREHOLDERS’EQUITY		
SHAREHOLDERS’EQUITY		
Share capital (note 12a)	4,116	4,116
Share premium (note 12b)	28,737	28,747
Reserve for share-based compensation expenses	3,192	3,124
Reserve for own shares (note 13)	(1,186)	(1,191)
Accumulated deficit	(8,933)	(8,486)
Foreign currency translation reserve	(10,232)	(10,843)
TOTAL SHAREHOLDERS’EQUITY	15,694	15,467
LIABILITIES		
NON-CURRENT LIABILITIES		
Other non-current liabilities	2	2
TOTAL NON-CURRENT LIABILITIES	2	2
CURRENT LIABILITIES		
Trade payables	411	265
Current income tax payables	63	61
Other payables	717	857
Customer advances and deferred revenue	674	746
TOTAL CURRENT LIABILITIES	1,865	1,929
TOTAL LIABILITIES	1,867	1,931
TOTAL LIABILITIES AND SHAREHOLDERS’EQUITY	17,561	17,398

The accompanying selected explanatory notes are an integral part of the Company’s condensed consolidated interim financial statements as at and for the quarter and the six-month period ended 30 June 2012.
Figures for the year ended 31 December 2011 have been extracted from the audited, full consolidated financial statements for that year.

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

In thousands of euros Unaudited figures	Six-month period ended 30 June 2012	Six-month period ended 30 June 2011
Shareholders' equity at 1 January	15,467	14,780
Total comprehensive profit (loss)	164	(872)
Effect of share-based compensation plans:		
- Value of services rendered by employees (note 4d)	68	77
- Operating expenses incurred with respect of share-based compensation plans (note 12b)	(10)	(4)
Total effect of share-based compensation plans	58	73
Changes in the amount of the reserve for own shares:		
- Repurchase of own shares (note 13a)	0	0
- Grant of own shares at no cost (note 13b)	5	0
Total change in the amount of the reserve for own shares	5	0
Shareholders' equity at 30 June	15,694	13,981

The accompanying selected explanatory notes are an integral part of the Company's condensed consolidated interim financial statements as at and for the quarter and the six-month period ended 30 June 2012.

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

In thousands of euros Unaudited figures	Six-month period ended 30 June 2012	Six-month period ended 30 June 2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit (loss) for the period	(447)	(150)
Adjustments for items without effect on cash:		
- Depreciation of property, plant and equipment	91	95
- Amortisation of other intangible assets	741	502
- Share-based compensation expenses (note 4d)	68	77
- Change in the amount of provisions (note 5b)	0	(205)
- Net interest (income) expenses (note 6)	(1)	23
- Net exchange (gains) losses (note 6)	30	15
- Income tax (benefit) expense (note 7)	8	(168)
- Expenses offset against the share premium (note 12b)	(5)	(4)
Exchange rate differences	(19)	(82)
Other items	82	(74)
Change in value of operating assets and liabilities:		
- Inventories	1	18
- Trade receivables (note 11)	(226)	(204)
- Current income tax receivables	(88)	37
- Other current receivables	(1)	(19)
- Prepaid expenses	(130)	(83)
- Trade payables	146	174
- Current income tax payables	2	21
- Other payables	(140)	(136)
- Customer advances and deferred revenue	(72)	143
Cash received in the period for interest income	1	3
Cash paid in the period for interest expenses	0	0
Cash received (paid) in the period for income taxes	(95)	282
NET CASH FLOW PROVIDED BY (USED IN) OPERATING ACTIVITIES	(54)	265
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures on property, plant and equipment	(58)	(65)
Capital expenditures on other intangible assets	0	0
Capitalization of development expenses (note 4b)	(741)	(576)
Proceeds from the disposal of intangible assets	0	17
NET CASH FLOW USED IN INVESTING ACTIVITIES	(799)	(624)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repurchase of own shares (note 13a)	0	0
NET CASH FLOW USED IN FINANCING ACTIVITIES	0	0
NET INCREASE (DECREASE) OF CASH IN THE QUARTER	(853)	(359)
CASH AT 1 JANUARY	2,315	1,869
EFFECT OF EXCHANGE RATE CHANGES ON CASH AT 1 JANUARY	79	(114)
CASH AT 30 JUNE	1,541	1,396

The accompanying selected explanatory notes are an integral part of the Company’s condensed consolidated interim financial statements as at and for the quarter and the six-month period ended 30 June 2012.

NOTE 1: REPORTING ENTITY

These condensed consolidated interim financial statements as at and for the quarter and the six-month period ended 30 June 2012 comprise Global Graphics SA, a French-based company (the Parent), and its subsidiaries (together referred to as the Company).
These condensed consolidated interim financial statements were authorized for issue by the Parent's Board of Directors on 29 August 2012.

NOTE 2: BASIS OF PREPARATION

(a) Statement of compliance

These condensed consolidated interim financial statements as at and for the quarter and the six-month period ended 30 June 2012 have been prepared in accordance with IAS 34, Interim Financial Reporting ('IAS 34'), and more generally with International Financial Reporting Standards ('IFRSs') and related interpretations issued by the International Accounting Standards Board, as adopted by the European Union.
For the purposes of their inclusion in the Company's quarterly earnings release, these condensed consolidated interim financial statements do not include all of the information required for full annual consolidated financial statements and should therefore be read in conjunction with the Company's consolidated financial statements as at and for the year ended 31 December 2011.

(b) Basis of measurement

These condensed consolidated interim financial statements have been prepared under the historical cost convention, except for the revaluation of derivative instruments at fair value through the income statement.
Non-current assets are stated at the lower of amortized cost and fair value less disposal costs, when applicable.
The methods used to measure fair value in these condensed consolidated interim financial statements are identical to those used for the preparation of the Company's consolidated financial statements as at and for the year ended 31 December 2011, which are set out in note 4 to the Company's consolidated financial statements for that year.

(c) Functional and presentation currency

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

(d) Going concern

The Company had no outstanding financial debt and a cash position of 1,541 as at 30 June 2012 (compared with 1,396 as at 30 June 2011 and 2,315 as at 31 December 2011).
On the date these condensed consolidated interim financial statements were drafted, based on their review of updated cash flow projections prepared by management for the 18-month period ending 31 December 2013, the members of the Parent's Board of Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern.

NOTE 3: ACCOUNTING POLICIES AND METHODS

(a) Same accounting policies and methods

The accounting policies and methods used for the preparation of these condensed consolidated interim financial statements are the same as those used for the preparation of the Company's consolidated financial statements as at and for the year ended 31 December 2011, which are set out in note 3 to the Company's consolidated financial statements for that year.

(b) Early application of the amendment to IAS 1

Pursuant to the adoption on 5 June 2012 by the European Parliament of the amendment to IAS 1, Presentation of financial statements, relating to the disclosure of items of other comprehensive income, which is mandatory for annual periods beginning on or after 1 July 2012, but may be early applied, the Company decided to present its statement of comprehensive income for the quarter and the six-month period ended 30 June 2012 in accordance with the provisions of this amendment.

NOTE 4: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

Judgements made by the Company's management in the application of IFRSs that have a significant effect on the Company's condensed consolidated interim financial statements as at and for the quarter and the six-month period ended 30 June 2012, and assumptions or estimates with a significant risk of material adjustment in the coming twelve months, are discussed hereafter.

(a) Impairment of goodwill and other intangible assets

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

In accordance with paragraph 36 of Appendix B of IAS 34, the Company did not perform a detailed computation of impairment of goodwill and other intangible assets with indefinite useful lives at 30 June 2012 as had been done at 31 December 2011, but reviewed indications of possible impairment such assets as at and during the six-month period ended 30 June 2012.

Based on the results of this review, the Company concluded that no impairment of goodwill and other intangible assets with indefinite useful lives was required as at and for the quarter and the six-month period ended 30 June 2012.

(ii) Intangible assets that are subject to amortization

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

- Intangible assets reported under the Print segment of the Company’s business

Intangible assets which are reported as part of the Print segment of the Company’s business (see note 14e below) relate to two development projects (namely the Harlequin and Jaws RIP software) which management believes to meet the recognition criteria set out in paragraphs 57 to 62 of IAS 38.

Considering the absence of material changes during the six-month period ended 30 June 2012 in the assumptions used at 31 December 2011 for identifying any requirement to impair the intangible assets reported under the Print segment of the Company’s business, and the absence of any impairment for these intangible assets at the latter date, management concluded that no impairment for the intangible assets reported under the Print segment of the Company’s business was required as at and during the six-month period ended 30 June 2012.

- Intangible assets reported under the eDoc segment of the Company’s business

Intangible assets which are reported as part of the eDoc segment of the Company’s business (see note 14e below) relate to three development projects (namely EDL, gDoc applications, and other conversion technologies) which management believes to meet the recognition criteria set out in paragraphs 57 to 62 of IAS 38.

Considering the absence of material changes during the six-month period ended 30 June 2012 in the assumptions used at 31 December 2011 for identifying any requirement to impair the intangible assets reported under the eDoc segment of the Company’s business, and the absence of any impairment for these intangible assets at the latter date, management concluded that no impairment for the intangible assets reported under the eDoc segment of the Company’s business was required as at and during the six-month period ended 30 June 2012.

(b) Capitalization and amortization of computer software development costs

(i) Development cost capitalization and amortization methods used by the Company

As stated in note 3e to the Company’s consolidated financial statements for the year ended 31 December 2011, costs associated with maintaining existing computer software technology and programmes are recognised as an expense when incurred.

Are recognized as intangible assets costs that are directly associated with the production of identifiable and unique software products over which the Company has proprietary rights, that can be measured reliably, and where it is probable that future economic benefits attributable to such software products will flow to the Company. Such costs only include software development employee costs.

Development costs recognized as intangible assets are amortised from the point the asset is ready for use on a straight-line basis over its estimated useful life, which do not exceed ten years.

Such amortization charge is included in Research and development expenses in the consolidated statement of income.

(ii) Capitalization of computer software development costs

The following tables provide information on the aggregate amounts of computer software development costs which were capitalized as at 30 June 2012 and 2011, as well as on the amounts which were capitalized during the quarters and the six-month periods then ended for those projects the Company considered it could demonstrate that it met all of the abovementioned recognition criteria:

- Quarter and six-month period ended 30 June 2012

In thousands of euros Unaudited and unreviewed figures	Total capitalised at 30 June 2012	Amounts capitalised in the quarter ended 30 June 2012	Amounts capitalised in the six-month period ended 30 June 2012
Harlequin RIP	5,956	157	320
Jaws RIP	512	89	161
Total Print segment	6,468	246	481
Electronic Document Libraries (EDL)	1,687	25	56
gDoc applications	1,693	101	204
Other document conversion technologies	164	0	0
Total eDoc segment	3,544	126	260
Total	10,012	372	741

- Quarter and six-month period ended 30 June 2011

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

(iii) Amortization of capitalized computer software development costs
The following tables provide information on accumulated amortization as at 30 June 2012 and 2011, as well as on the amortization expenses which were recognized in the quarters and the six-month periods then ended for those projects the Company considered it could demonstrate that it met all of the abovementioned recognition criteria:

- Quarter and six-month ended 30 June 2012

In thousands of euros Unaudited and unreviewed figures	Accumulated amortisation at 30 June 2012	Amortisation expenses in the quarter ended 30 June 2012	Amortisation expenses in the six-month period ended 30 June 2012
Harlequin RIP	2,751	204	389
Jaws RIP	26	25	25
Total Print segment	2,777	229	414
Electronic Document Libraries (EDL)	814	54	108
gDoc applications	926	140	215
Other document conversion technologies	0	0	0
Total eDoc segment	1,740	194	323
Total	4,517	423	737

- Quarter and six-month ended 30 June 2011

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

(c) Income tax

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

(ii) Deferred income tax

- Policy used by the Company for recognizing deferred tax assets
The Company recognises deferred tax assets as stated in note 3p to the Company's consolidated financial statements for the financial year ended 31 December 2011.
In evaluating whether it is probable or not that a deferred tax asset recognised in a specific jurisdiction may be utilised against future taxable profits to be recognised in that jurisdiction, the Company uses estimates of future taxable profits over an appropriate period of time from the balance sheet date (currently being four years), based on sales growth and profit assumptions considered to be appropriate by management over that four-year period.
Should these growth assumptions be revised downwards in future periods, the Company may be required to record a significant deferred tax charge during the period in which the downward revision of these assumptions would be effected, resulting in an unfavorable impact on the Company's results of operations.

- Recognized deferred tax assets and liabilities

Deferred tax asset attributable to capital allowances
Deferred tax assets are predominantly attributable to capital allowances available to the UK subsidiaries as the result of the acquisitions made by the Company in the years ended 31 December 1999 and 2000. Although such allowances may be used without any deadline, they can only be used in a given year up to 20% of the outstanding balance at the beginning of that year.
The recognition of a deferred tax asset corresponding to the amount of capital allowances the Company projected to use over the four-year period ending 30 June 2016 to offset projected taxable profit to be made by its UK subsidiary over such period was made using the tax rate that was expected to apply to the period when the deferred tax asset would be expected to be realized, i.e. 24.0% from 1 April 2012, as set out in note 7d below.

It resulted in the recognition of a deferred tax asset of 1,318 as at 30 June 2012, a deferred tax expense of 71 in the quarter then ended (which included an expense of 47 with respect of the decrease to 24.0% of the tax rate referred to in note 7d below), as well as a deferred tax expense of 47 in the six-month period then ended, all of which with respect of the decrease to 24.0% of the tax rate.

Deferred tax liability arising from the capitalization of developments costs
The recognition of a deferred tax liability corresponding to the amount of development costs capitalized in accordance with applicable provisions of IAS 38, net of applicable amortization, was made using the tax rate that is expected to apply to the period when the deferred tax liability is expected to be settled realized, i.e. 24.0% from 1 April 2012, as set out note in note 7d below.
It resulted in the recognition of a deferred tax liability of 1,318 as at 30 June 2012, a deferred tax benefit of 66 in the quarter then ended (which included a benefit of 54 with respect of the decrease to 24.0% of the tax rate referred to in note 7d below), as well as a deferred tax benefit of 52 in the six-month period then ended, which included a benefit of 54 with respect of the abovementioned decrease to 24.0% of the tax rate.

- Unrecognized deferred tax assets
The amount of capital allowances which were available to the Company's UK subsidiaries as at 30 June 2012, but were not projected to be used in the four-year period ending 30 June 2016, and therefore did not result in the recognition of a deferred tax asset as at 30 June 2012, amounted to 7,416 at such date.
Had a deferred tax asset been recognized with regards to such portion of available capital allowances at 30 June 2012, since these allowances would only be used after 1 July 2016, the applicable tax rate at the time these allowances would be used to offset taxable profit was assumed to be the UK statutory rate which would be applicable from 1 April 2012 (i.e. 24.0%), as this was the only change in the UK corporation tax rate which was substantially enacted before 30 June 2012: the corresponding, additional deferred tax asset would amount to 1,780 at that date.

(d) Share-based compensation expense

(i) Share options

- Outstanding and exercisable share options as at 30 June 2012
The following table summarises information about the Company's outstanding and exercisable share options as at 30 June 2012, which expire on 6 August 2016:

Grant dates of share options Exercise prices are in euros	Outstanding at 30 June 2012	Exercise price per share	Exercisable at 30 June 2012	Exercise price per share
6 August 2008	200,000	2.08	0	2.08
18 September 2008	20,000	1.94	0	1.94
17 December 2008	75,000	2.08	0	2.08
24 February 2010	12,500	1.64	0	1.64
28 July 2010	10,000	1.65	0	1.65
2 November 2011	287,500	1.06	0	1.06
Total	605,000	1.57	0	

- Main terms and conditions of abovementioned share option grants

Share option grants made in the years ended 31 December 2008 to 2010
Two conditions are attached to the exercise of share options which were granted in the years ended 31 December 2008 to 2010:

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

An accelerated vesting of these options, regardless of whether or not the abovementioned minimum share price conditions were met, would occur should one or several shareholders acting in concert (as defined by article L.233-3 of French Commercial Law) come to hold more than 30.0% of the total number of shares forming the Company's share capital or of the voting rights attached to such shares, or more than the number of shares and/or voting rights attached to such shares held by Stichting Andlinger & Co. Euro-Foundation, which held approximately 28.0% of the Company's shares and voting rights as at 30 June 2012, as set out in note 7b of the Board's interim management report for the quarter and the six-month period ended 30 June 2012.

Share option grant made on 2 November 2011

Two conditions are attached to the exercise of the 287,500 share options which were granted on 2 November 2011:

- firstly, the recipient of the share option grant must have been an employee and/or a director of the Company at all times between the date when the options were granted to him/her and the date(s) when he/she exercises all of part of these options; and
- secondly, the exercise of options may be done by the recipient of such share option grant but only from the date when the closing price reported for the Company's share will be at least equal to Euro 2.00 during a minimum of 20 trading days over any period of 60 trading days during which trades occurred in the Company's share for the first half of the number of these options, and at least to Euro 3.00 (computed as mentioned above) for the remaining half.

An accelerated vesting of these options, regardless of whether or not the abovementioned minimum share price conditions were met, would occur should one or several shareholders acting in concert (as defined by article L.233-3 of French Commercial Law) come to hold more than 30.0% of the total number of shares forming the Company's share capital or of the voting rights attached to such shares.

(ii) Share grants

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

Grant of free shares made on 29 July 2009

The Parent's Board of Directors made a provisional grant of 24,750 free shares to certain employees of some of the Company's foreign subsidiaries on 29 July 2009.

As at 30 June 2012, after effect of the final grant of shares made to certain employees of the Company when they left the Company's employment since share grant date (including 750 shares in the quarter and the six-month period ended 30 June 2012, as indicated in note 12b below), a total of 21,000 shares may still be granted at the end of the four-year period starting on share grant date, provided that the recipients of the free share grant have been employees of the Company at all times during that four-year period.

Recipients of such share grant will not be subject to any holding period after final grant date.

Grant of free shares made on 10 March 2011
The Parent’s Board of Directors made a provisional grant of 96,000 free shares to certain employees of some of the Company’s subsidiaries on 10 March 2011, of which 36,000 shares to Mr. Gary Fry and 4,000 shares to Mr. Alain Pronost in their respective capacities of Chief Executive Officer and Chief Financial Officer of the Company.
As at 31 December 2011 and 30 June 2012, a total of 88,000 shares may still be granted at the end of the vesting period starting on share grant date, provided that the recipients of the free share grant have been employees of the Company at all times during such period, which will last four years for all recipients who are employed by foreign subsidiaries of the Company and two years for those who are employed by the Parent.
Recipients of such share grant will not be subject to any holding period after final grant date, with exception of those employed by the Parent who will be required to hold their shares until the fourth anniversary date of the share grant.

Grant of free shares made on 2 November 2011
The Parent’s Board of Directors made a provisional grant of 24,000 free shares to certain employees of some of the Company’s foreign subsidiaries on 2 November 2011.
As at 31 December 2011 and 30 June 2012, all of these 24,000 shares may still be granted at the end of the four-year period starting on share grant date, provided that the recipients of the free share grant have been employees of the Company at all times during that four-year period.
Recipients of such share grant will not be subject to any holding period after final grant date.

- Share Incentive Plan
Pursuant to the authorization granted by the Company’s shareholders on 29 April 2009, a Share Incentive Plan (SIP) was implemented for the benefit of the Company’s employees, notably those of the UK subsidiary of the Company, who may be granted ordinary shares of the Company (Matching Shares) in proportion of the purchase of ordinary shares of the Company (Partnership Shares) made through a deduction on their net pay, being noted that such grant of Matching Shares will become final at the end of a three-year period starting on the date of each purchase of Partnership Shares.
At as 30 June 2012, 42,639 shares were granted as SIP Matching Shares to employees of the UK subsidiary of the Company, of which 3,799 shares in the six-month period ended 30 June 2012.

(iii) Share-based compensation expense analysis

In thousands of euros Unaudited and unreviewed figures	Quarter ended 30 June 2012	Quarter ended 30 June 2011	Six-month period ended 30 June 2012	Six-month period ended 30 June 2011
Attributable to option grants	18	27	33	53
Attributable to share grants	17	15	35	24
Total share-based compensation expense	35	42	68	77

NOTE 5: OTHER OPERATING EXPENSES AND INCOME

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

(a) Other operating expenses

No other operating expenses were incurred in either of the quarters or the six-month periods ended 30 June 2012 or 2011.

(b) Other operating income

(i) Quarter and six-month period ended 30 June 2012

No other operating income was incurred in the quarter and the six-month period ended 30 June 2012.

(ii) Quarter and six-month period ended 30 June 2011

An amount of 205 was recognised in the six-month period ended 30 June 2011 (of which 164 in the quarter then ended) pursuant to the write-back of the provision for vacant office space which was recorded as at 31 December 2010 to account for unused office space in the UK, the balance of this provision being written back pursuant to management's decision to re-use all of that office space from 1 July 2011.

Accordingly, the Company also recognised an interest expense corresponding to the unwinding of the discount of that provision, which amounted to 26 in the six-month period ended 30 June 2011 (of which an interest expense of 18 in the quarter then ended), as set out in note 6 below.

NOTE 6: NET FINANCING GAINS (LOSSES)

In thousands of euros Unaudited and unreviewed figures	Quarter ended 30 June 2012	Quarter ended 30 June 2011	Six-month period ended 30 June 2012	Six-month period ended 30 June 2011
Interest income	0	1	1	3
Interest expenses (note 5b)	0	(18)	0	(26)
Net interest income (expenses)	0	(17)	1	(23)
Gains (losses) on transactions and balance revaluations	(10)	25	(29)	(15)
Gains (losses) on option contracts	(1)	0	(1)	0
Net exchange gains (losses)	(11)	25	(30)	(15)
Net financing gains (losses)	(11)	8	(29)	(38)

NOTE 7: INCOME TAX EXPENSE (BENEFIT)

(a) Current income tax expense (benefit)

(i) Quarter ended 30 June 2012

The Company recorded a current tax expense amounting to 9 in the quarter ended 30 June 2012, compared with a current tax expense amounting to 13 in the quarter ended 30 June 2011.

(ii) Six-month period ended 30 June 2012

The Company recorded a current income tax expense amounting to 13 in the six-month period ended 30 June 2012, compared with a current income tax benefit amounting to 235 in the six-month period ended 30 June 2011.

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

(b) Deferred tax expense (benefit)

The following table provides an analysis of the deferred tax expenses (benefits) which were recorded in the quarters and the six-month periods ended 30 June 2012 and 2011, respectively:

In thousands of euros Unaudited and unreviewed figures	Quarter ended 30 June 2012	Quarter ended 30 June 2011	Six-month period ended 30 June 2012	Six-month period ended 30 June 2011
Arising from the capitalisation of development expenses (note 4b)	89	80	185	155
Arising from the amortisation of development expenses (note 4b)	(102)	(56)	(184)	(122)
Arising from the (de-)recognition of capital allowances (note 4c)	24	(4)	0	(13)
Other items	(6)	35	(6)	47
Deferred tax expense (benefit)	5	55	(5)	67

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

In thousands of euros Unaudited and unreviewed figures	Quarter ended 30 June 2012	Quarter ended 30 June 2011	Six-month period ended 30 June 2012	Six-month period ended 30 June 2011
Profit (loss) before income tax	(110)	15	(439)	(318)
Income tax expense (benefit) using the rate of 33.33%	(36)	5	(146)	(106)
Expense (benefit) attributable to:				
- Effect of differences of tax rates in foreign jurisdictions	(96)	(60)	14	12
- Effect of the recognition or utilisation of available capital allowances (note 4c)	24	(4)	0	(13)
- Effect of share-based plans (note 4d)	12	14	23	26
- Repayment of R&D tax credits (note 7a)	0	4	0	(253)
- Unrecognized tax losses	111	102	118	152
- Other items	(1)	7	(1)	14
Income tax expense (benefit)	14	68	8	(168)

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

(i) Applicable accounting rules
In accordance with applicable provisions of IAS 12, Income taxes (IAS 12), any change in corporation tax rates cannot be reflected in a company's consolidated accounts prepared in accordance with IFRSs unless the corporation tax rate changes have been either enacted or substantively enacted on or before the relevant balance sheet date.
In the UK, substantive enactment occurs when the relevant Finance Act has passed through the House of Commons and is awaiting only passage through the House of Lords and Royal Assent, or when a resolution having statutory effect has been passed under the Provisional Collection of Taxes Act 1968.

(ii) Recent decreases of the UK corporation tax rate

- With effect from 1 April 2012
On 26 March 2012, the Chancellor of the Exchequer announced the decrease in the main rate of UK corporation tax from 26.0% to 24.0% with effect from 1 April 2012, which was an additional 1.0% in addition to the 1.0% reduction included in the Finance Bill 2011.
Given the late notice in such rate reduction applying from 1 April 2012, it has been legislatively necessary for the reduction to be included in a resolution which was given effect under the Provisional Collection of Taxes Act 1968. Accordingly, the reduction in the UK corporation tax rate to 24.0% was substantively enacted following the passing of the resolution on 26 March 2012.
The rate of 26.0% has been that applicable for the computation of the tax expense (benefit) arising from the taxable profit (loss) made by the UK subsidiaries of the Company in the year ending 1 April 2012, while the rate of 24.0% has been using when measuring deferred tax assets and liabilities which are expected to be realized or settled after 30 June 2012, as well as for computing the tax expense (benefit) arising from the taxable profit (loss) made by the UK subsidiaries of the Company in the quarter ended 30 June 2012.

- With effect from 1 April 2013 and 2014
In his Budget on 26 March 2012, the Chancellor of the Exchequer also proposed a further 1.0% reduction of the UK corporate tax rate to 23.0% from 1 April 2013 and to 22.0% from 1 April 2014.
The projected decreases in the UK corporate tax rate to 23.0% and 22.0% were not substantively enacted for the purposes of IAS 12 as at 30 June 2012, and were not considered when computing the deferred tax assets and liabilities of the UK subsidiaries of the Company as at 30 June 2012.
The effect on the Company's tax position of this additional reduction of the UK corporation tax rate will be reflected in the Company's consolidated accounts once the corresponding reduction has been enacted.

(e) Research and development tax credit claim for the year ended 31 December 2011
In July 2012, Global Graphics Software Limited filed its corporation tax return for the year ended 31 December 2011, resulting in a claim for the repayment of a research and development tax credit amounting to an estimated amount of Euro 0.4 million.
As set out in note 4c above, significant judgement was required in determining the amount of such tax credit: as a result, management considered it was not appropriate to recognize this amount as an amount receivable as at 30 June 2012, but to defer its recognition to the point when acceptance of the repayment claim would be notified to the Company's UK subsidiary.

However, since similar claims made by Global Graphics Software Limited in previous years resulted in the repayment to that company of the amounts claimed (see note 7a above), management considered it was appropriate to assume that the amount claimed for the year ended 31 December 2011 would also be repaid to the Company's UK subsidiary in the second half of the current financial year, and included the corresponding, expected cash receipt in the cash flow projections prepared to assess the going concern of the Company over the 18-month period ending on 31 December 2013 referred to in note 2d above.

NOTE 8: EARNINGS PER SHARE

(a) Basic earnings per share

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

(ii) Computation of the weighted average number of shares to be used

- Quarters ended 30 June 2012 and 2011
The following table provides for the computation of the weighted average number of ordinary shares to be used for basic EPS computation in the quarters ended 30 June 2012 and 2011, respectively:

Unaudited and unreviewed figures	2012	2011
Ordinary shares outstanding at 1 April (note 12a)	10,289,781	10,289,781
Own shares held by the Company at 1 April (note 13c)	(166,267)	(168,081)
Number of ordinary shares outstanding at 1 April to be used for basic EPS computation	10,123,514	10,121,700
Effect of the final grant of own shares during the quarters ended 30 June (note 13b)	330	0
Weighted average number of ordinary shares to be used for basic EPS computation in the quarters ended 30 June	10,123,844	10,121,700

- Six-month periods ended 30 June 2012 and 2011
The following table provides for the computation of the weighted average number of ordinary shares to be used for basic EPS computation in the six-month periods ended 30 June 2012 and 2011, respectively:

Unaudited figures	2012	2011
Ordinary shares outstanding at 1 January (note 12a)	10,289,781	10,289,781
Own shares held by the Company at 1 January (note 13c)	(166,267)	(168,081)
Number of ordinary shares outstanding at 1 January to be used for basic EPS computation	10,123,514	10,121,700
Effect of the final grant of own shares during the six-month periods ended 30 June (note 13b)	165	0
Weighted average number of ordinary shares to be used for basic EPS computation in the six-month periods ended 30 June	10,123,679	10,121,700

(b) Diluted earnings per share

(i) Method used in the computation of basic EPS

Diluted earnings per share are calculated by adjusting profit or loss attributable to the Company's shareholders, and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

However, potential ordinary shares are treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share: as a result, when the Company reports a net loss for a given period, no adjustment is made for dilutive potential ordinary shares, as management considers this would result in decreasing loss per share.

(ii) Computation of the weighted average number of shares to be used

- Quarters ended 30 June 2012 and 2011

The following table provides for the computation of the weighted average number of ordinary shares to be used for diluted EPS computation in the quarters ended 30 June 2012 and 2011, respectively:

Unaudited and unreviewed figures	2012	2011
Weighted average number of ordinary shares outstanding in the quarters ended 30 June	10,123,844	10,121,700
Adjustment for dilutive potential ordinary shares	0	0
Weighted average number of ordinary shares to be used for diluted EPS computation in the quarters ended 30 June	10,123,844	10,121,700

- Six-month periods ended 30 June 2012 and 2011

The following table provides for the computation of the weighted average number of ordinary shares to be used for diluted EPS computation in the six-month periods ended 30 June 2012 and 2011, respectively:

Unaudited figures	2012	2011
Weighted average number of ordinary shares outstanding in the six-month periods ended 30 June	10,123,679	10,121,700
Adjustment for dilutive potential ordinary shares	0	0
Weighted average number of ordinary shares to be used for diluted EPS computation in the six-month periods ended 30 June	10,123,679	10,121,700

NOTE 9: OTHER INTANGIBLE ASSETS

(a) Gross value

In thousands of euros	Six-month period ended 30 June 2012 Unaudited figures	Year ended 31 December 2011
Gross value as at 1 January	46,097	43,768
Additions during the period (note 4b)	741	1,283
Disposals during the period	0	0
Effect of changes in exchange rates during the period	1,919	1,046
Gross value at end of reporting period	48,757	46,097

(b) Amortisation and impairment

In thousands of euros	Six-month period ended 30 June 2012 Unaudited figures	Year ended 31 December 2011
Accumulated amortisation as at 1 January	40,767	38,763
Depreciation expense recognised during the period	741	1,095
Impairment expense recognised during the period	0	0
Effect of change in exchange rates during the period	1,698	909
Accumulated amortisation at end of reporting period	43,206	40,767

NOTE 10: GOODWILL

(a) Gross value

In thousands of euros	Six-month period ended 30 June 2012 Unaudited figures	Year ended 31 December 2011
Gross value as at 1 January	12,891	12,608
Effect of changes in exchange rates during the period	532	283
Gross value at end of reporting period	13,423	12,891

(b) Amortisation and impairment

In thousands of euros	Six-month period ended 30 June 2012 Unaudited figures	Year ended 31 December 2011
Accumulated amortisation as at 1 January	6,069	5,935
Impairment charge recognised in the period (note 4a)	0	0
Effect of changes in exchange rates during the period	250	134
Accumulated amortisation at end of reporting period	6,319	6,069

NOTE 11: TRADE RECEIVABLES

(a) Gross and net amounts

In thousands of euros	30 June 2012 Unaudited figures	31 December 2011
Gross amount (note 11b)	2,098	1,892
Allowance for doubtful accounts (note 11b)	(120)	(140)
Net amount	1,978	1,752

(b) Aging of trade receivables

In thousands of euros	30 June 2012		31 December 2011	
	Gross amount Unaudited figures	Allowance Unaudited figures	Gross amount	Allowance
Items which are not past due	1,576	0	1,253	2
Items which are past due:				
- 0 to 30 days	125	3	272	2
- 30 to 60 days	122	3	89	0
- 60 to 90 days	61	0	36	0
- more than 90 days	214	114	242	136
Total	2,098	120	1,892	140

NOTE 12: SHARE CAPITAL AND SHARE PREMIUM

(a) Share capital
The number of outstanding, fully paid, ordinary shares of the Company, each of par value of Euro 0.40, was 10,289,781 as at both 30 June 2012 and 31 December 2011, resulting in a share capital amounting to 4,116 at both these dates.

(b) Share premium

(i) Expenses relating to the Company's share-based remuneration plans
An amount of 5 was incurred in relation with the Company's share-based remuneration plans in the six-month period ended 30 June 2012, and was offset against the share premium during that period (4 in the six-month period ended 30 June 2011).

(ii) Expenses relating to grants of own shares
750 own shares held by the Company as treasury shares were granted in the quarter and the six-month period ended 30 June 2012 to one employee who was made redundant during that period (see notes 4d (i) above and 13b below).
The difference between the repurchase value of these 750 shares (amounting to 5) and their value at grant date to the employee (being nil for a grant of free shares) was offset against the share premium in the six-month period ended 30 June 2012 for 5 (nil in the six-month period ended 30 June 2011).

NOTE 13: OWN SHARES

(a) Repurchase of own shares
None of its own shares were repurchased or granted by the Company in either of the six-month periods ended 30 June 2012 or 2011.

(b) Grants of own shares
750 own shares, having a repurchase value of 5, were granted in the quarter and the six-month period ended 30 June 2012 to one employee who was made redundant during that period (none in the six-month period ended 30 June 2011).

(c) Number of own shares held at 30 June 2012
As a result, the total number of own shares held as treasury shares by the Company was 165,517 at 30 June 2012 compared with 166,267 at 31 December 2011, for respective repurchase values of 1,186 and 1,191.

NOTE 14: SEGMENT REPORTING

(a) Identification of operating and reportable segments

(i) Applicable rules

Management has identified operating segments give rise to reporting pursuant its review of those segments giving rise to reporting to the Company's CEO, who decides upon the best allocation of resources and monitors the operating and financial performance of each operating segment.

Two segments were identified, the Print segment for the printing software segment of the Company's business, and the eDoc segment for the electronic document software segment of the Company's business.

The performance of each of these segments is monitored by the Company's CEO based on their respective gross margin contribution.

(ii) Allocation of assets and liabilities to operating segments

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

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

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

Whenever appropriate, management may restate prior year's comparative information to conform to the current year's presentation of operating segment information, notably sales and asset breakdown.

(b) Analysis of the Company's sales

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

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

The following table provides a breakdown of the Company's sales by nature of products sold and services rendered for those sales made in the quarters and the six-month periods ended 30 June 2012 and 2011, respectively:

In thousands of euros Unaudited and unreviewed figures	Quarter ended 30 June 2012	Quarter ended 30 June 2011	Six-month period ended 30 June 2012	Six-month period ended 30 June 2011
License royalties	2,139	1,810	3,915	3,604
Maintenance and support services	290	237	562	521
Engineering services	0	70	0	70
Total sales	2,429	2,117	4,477	4,195

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

In thousands of euros Unaudited and unreviewed figures	Quarter ended 30 June 2012	Quarter ended 30 June 2011	Six-month period ended 30 June 2012	Six-month period ended 30 June 2011
France	1	1	6	2
Europe (excluding France)	157	171	492	625
North America (USA and Canada)	1,787	1,243	3,321	2,543
Asia (including Japan)	485	692	616	979
Rest of the world	(1)	10	42	46
Total sales	2,429	2,117	4,477	4,195

(c) Sales and gross profit by business segment

(i) Quarter ended 30 June 2012

In thousands of euros Unaudited and unreviewed figures	Print segment	eDoc segment	Unallocated items	Total
Total segment sales	2,217	212	0	2,429
Inter-segment sales	0	0	0	0
Sales from external customers	2,217	212	0	2,429
Cost of sales	(73)	(24)	(14)	(111)
Gross profit	2,144	188	(14)	2,318

(ii) Quarter ended 30 June 2011 (restated)

In thousands of euros Unaudited and unreviewed figures	Print segment	eDoc segment	Unallocated items	Total
Total segment sales	1,450	667	0	2,117
Inter-segment sales	0	0	0	0
Sales from external customers	1,450	667	0	2,117
Cost of sales	(56)	(38)	(12)	(106)
Gross profit	1,394	629	(12)	2,011

(iii) Six-month period ended 30 June 2012

In thousands of euros Unaudited figures	Print segment	eDoc segment	Unallocated items	Total
Total segment sales	4,057	420	0	4,477
Inter-segment sales	0	0	0	0
Sales from external customers	4,057	420	0	4,477
Cost of sales	(131)	(36)	(27)	(194)
Gross profit	3,926	384	(27)	4,283

(ii) Six-month period ended 30 June 2011 (restated)

In thousands of euros Unaudited figures	Print segment	eDoc segment	Unallocated items	Total
Total segment sales	3,140	1,055	0	4,195
Inter-segment sales	0	0	0	0
Sales from external customers	3,140	1,055	0	4,195
Cost of sales	(121)	(67)	(25)	(213)
Gross profit	3,019	988	(25)	3,982

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

In thousands of euros Unaudited and unreviewed figures	Quarter ended 30 June 2012	Quarter ended 30 June 2011	Six-month period ended 30 June 2012	Six-month period ended 30 June 2011
Gross profit for reportable segments (note 14c)	2,318	2,011	4,283	3,982
Selling, gen. & admin. expenses	(1,079)	(1,071)	(2,176)	(2,169)
Research & development expenses	(1,339)	(1,097)	(2,518)	(2,298)
Net other operating income (expenses)	0	164	0	205
Net financing gains (losses) (note 6)	(11)	8	(29)	(38)
Profit (loss) before income tax	(111)	15	(440)	(318)

(e) Reconciliation of assets and liabilities

(i) As at 30 June 2012

In thousands of euros Unaudited figures	Print segment	eDoc segment	Unallocated items	Total
Non-current assets	10,795	1,860	592	13,247
Current assets	1,633	345	2,336	4,314
Total assets	12,428	2,205	2,928	17,561
Non-current liabilities	0	0	2	2
Current liabilities	480	193	1,192	1,865
Total liabilities	480	193	1,194	1,867

(ii) As at 31 December 2011 (restated for current assets and liabilities)

In thousands of euros	Print segment	eDoc segment	Unallocated items	Total
Non-current assets	10,302	1,850	602	12,754
Current assets	1,287	465	2,892	4,644
Total assets	11,589	2,315	3,494	17,398
Non-current liabilities	0	0	2	2
Current liabilities	674	72	1,183	1,929
Total liabilities	674	72	1,185	1,931

(f) Allocation of non-current assets based on their geographical location

In thousands of euros	30 June 2012 Unaudited figures	31 December 2011
France	9	9
Foreign subsidiaries		
- UK	9,771	9,413
- US	3,453	3,321
- Japan	14	11
Total foreign subsidiaries	13,238	12,745
Total non-current assets	13,247	12,754

NOTE 15: RELATED PARTY TRANSACTIONS

The Company has a related party relationship with its subsidiaries (see note 16 below) as well as with its directors and executive officers, as set out below.

(a) With the Company's directors

The amount of board fees to be allocated among the Company's directors which was recognized in each of the quarters ended 30 June 2012 and 2011 was 15, while it was 30 in each of the six-month periods then ended.

(b) With the Company's executive officers

(i) Salaries and other short-term benefits

The executive directors received the following salaries and other short-term benefits (notably bonuses and pension scheme contributions) in the quarters and the six-month periods ended 30 June 2012 and 2011, respectively:

In thousands of euros Unaudited and unreviewed figures	Quarter ended 30 June 2012	Quarter ended 30 June 2011	Six-month period ended 30 June 2012	Six-month period ended 30 June 2011
Salaries	81	69	159	138
Other short-term benefits	8	5	103	80
Total salaries and other short-term benefits	89	74	262	218

(ii) Share-based compensation plans

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

No share options or shares were granted to the executive officers in the quarter and the six-month period ended 30 June 2012.

The portions of the share-based compensation expenses which were attributable to the Company's executive officers and were recorded in the quarters and the six-month periods ended 30 June 2012 and 2011, respectively, were as follows:

In thousands of euros Unaudited and unreviewed figures	Quarter ended 30 June 2012	Quarter ended 30 June 2011	Six-month period ended 30 June 2012	Six-month period ended 30 June 2011
Relating to share option grants	13	18	23	36
Relating to share grants	4	4	8	5
Total	17	22	31	41

(c) With a company which is managed by one of the Company's directors

In its meeting on 16 December 2009, approval was given by the Company's Board of Directors to two agreements with Andlinger & Co. CVBA, a Belgium-based company which is managed by Mr. Johan Volckaerts.

The purpose of these agreements was to provide that the Company would be:

- entitled to use a meeting room and related services in Brussels, against the payment of a fee amounting to Euro 1,500 each quarter; and
- provided with advice regarding its strategy, against the payment of a fee amounting to Euro 6,000 per month, which was increased to Euro 6,500 per month from 1 February 2011 as voted by the Board on 8 February 2011, and decreased to Euro 4,500 per month from 1 October 2011 as voted by the Board on 2 November 2011.

The corresponding amounts which were expensed by the Company were 15 and 21 in the quarters ended 30 June 2012 and 2011, respectively, and 30 and 42 in the six-month periods then ended, respectively.

NOTE 16: SUBSIDIARIES

These condensed consolidated interim financial statements for the quarters and the six-month periods ended 30 June 2012 and 2011, respectively, include the accounts of the following companies:

	Country of incorporation	% of ownership 2012	% of ownership 2011
Global Graphics (UK) Limited	United Kingdom	100	100
Global Graphics Software Limited	United Kingdom	100	100
Jaws Systems Limited	United Kingdom	100	100
Global Graphics Software Incorporated	United States	100	100
Global Graphics Kabushiki Kaisha	Japan	100	100
Global Graphics Software (India) Private Limited	India	100	100
Global Graphics EBT Limited	United Kingdom	100	100

Global Graphics Software (India) Private Limited has been dormant since April 2010 and is currently under liquidation, the completion of which is expected shortly. Jaws Systems Limited has been dormant since the close of the financial year ended 31 December 2001.

GLOBAL GRAPHICS SA AND SUBSIDIARIES
ADJUSTED FINANCIAL INFORMATION PREPARED BY MANAGEMENT

NOTE 1: BASIS OF PREPARATION OF ADJUSTED FINANCIAL INFORMATION

The Company’s consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) and related interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union (EU).

However, management of the Company it believes that evaluating the Company’s ongoing results may not be as useful if an investor is limited to reviewing only IFRS financial measures, notably because management of the Company uses adjusted financial information to evaluate its ongoing operations as well as for internal planning and forecasting purposes.

To prepare adjusted financial information, management of the Company complies with the principles set in the Recommendation on Alternative Performance Measures which was issued by the Committee of European Securities Regulators (now the European Securities and Markets Authority) in October 2005.

The Company’s management does not itself, nor does it suggest that investors should, consider such adjusted financial measures in isolation from, or as a substitute for, financial information prepared in accordance with IFRSs.

The Company presents adjusted financial measures in reporting its financial results to provide investors with an additional tool to evaluate the Company’s results in a manner that focuses on what the Company believes to be its ongoing business operations.

The Company’s management believes that the inclusion of adjusted financial measures provides consistency and comparability with past reports of financial information and has historically provided comparability to similar companies in the Company’s industry, many of which present the same or similar adjusted financial measures to investors.

As a result, investors are encouraged to review the related IFRS financial measures and the reconciliation of these adjusted financial measures to the most directly comparable IFRS financial measures as detailed above.

NOTE 2: INFORMATION ON ADJUSTMENTS MADE TO REPORTED NUMBERS

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

(a) Share-based remuneration expense

In accordance with applicable provisions of IFRS 2, Share-based payments, an expense is recognized in the Company’s consolidated financial statements with respect of share-based remuneration plans, regardless of any change in the number of outstanding shares of the Company pursuant to the exercise of share options, or before the grant of shares to employees of the Company becomes final.

As a result, management of the Company believes it is appropriate to adjust the Company’s operating profit (loss) reported under IFRSs of such expense to provide a relevant measure of the Company’s operating performance.

(b) Capitalization and amortization of eligible software development expenses

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

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

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

NOTE 3: ADJUSTED FINANCIAL INFORMATION COMPUTATION

(a) Adjusted operating profit (loss) computation

In thousands of euros Unaudited and unreviewed figures	Quarter ended 30 June 2012	Quarter ended 30 June 2011	Six-month periods ended 30 June 2012	Six-month periods ended 30 June 2011
Reported operating profit (loss)	(99)	7	(410)	(280)
Add back (deduct):				
- Effect of the capitalization of development expenses (note 4b)	(372)	(305)	(741)	(576)
- Amort. of capitalized development expenses (note 4b)	423	222	737	452
- Share-based remuneration expenses (note 4d)	35	42	68	77
- Other operating expenses (note 5a)	0	0	0	0
- Other operating income (note 5b)	0	(164)	0	(205)
Total adjustments to reported operating profit (loss)	86	(205)	64	(252)
Adjusted operating profit (loss)	(13)	(198)	(346)	(532)
In % of the period's sales	-0.5%	-9.4%	-7.7%	-12.7%

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

In thousands of euros, except per share data in euro Unaudited and unreviewed figures	Quarter ended 30 June 2012	Quarter ended 30 June 2011	Six-month periods ended 30 June 2012	Six-month periods ended 30 June 2011
Reported pre-tax profit (loss)	(110)	15	(439)	(318)
Add back (deduct):				
- Effect of the capitalization of development expenses (note 4b)	(372)	(305)	(741)	(576)
- Amort. of capitalized development expenses (note 4b)	423	222	737	452
- Share-based remuneration expenses (note 4d)	35	42	68	77
- Other operating expenses (note 5a)	0	0	0	0
- Other operating income (note 5b)	0	(164)	0	(205)
- Accretion expense (income) arising from the discounting of the vacant lease provision	0	18	0	26
Total adjustments to reported pre-tax profit (loss)	86	(187)	64	(226)
Adjusted pre-tax profit (loss)	(24)	(172)	(375)	(544)
Adjusted pre-tax EPS	(0.00)	(0.02)	(0.04)	(0.05)

Adjusted pre-tax EPS is computed by dividing the adjusted pre-tax profit (loss) for a given reporting period by the weighted average number of ordinary shares which were outstanding during that period, i.e. 10,123,844 and 10,121,700 shares for the quarters ended 30 June 2012 and 2011, respectively, and 10,123,679 and 10,121,700 shares for the six-month periods ended 30 June 2012 and 2011, respectively.

(c) Adjusted net profit (loss) computation

In thousands of euros, except per share data in euro Unaudited and unreviewed figures	Quarter ended 30 June 2012	Quarter ended 30 June 2011	Six-month periods ended 30 June 2012	Six-month periods ended 30 June 2011
Reported net profit (loss)	(124)	(53)	(447)	(150)
Add back (deduct):				
- Net effect of the capitalization of development expenses (note 4b)	51	(83)	(4)	(124)
- Share-based remuneration expenses (note 4d)	35	42	68	77
- Net effect of other operating (income) expenses (note 5)	0	(164)	0	(205)
- Accretion expense (income) arising from the discounting of the vacant lease provision	0	18	0	26
- Tax effect of abovementioned adjustments	(78)	59	(64)	80
Total adjustments to reported net profit (loss)	8	(128)	0	(146)
Adjusted net profit (loss)	(116)	(181)	(447)	(296)
Adjusted net EPS	(0.01)	(0.02)	(0.04)	(0.03)

Adjusted net EPS is computed by dividing the adjusted net profit (loss) for a given reporting period by the weighted average number of ordinary shares which were outstanding during that period, i.e. 10,123,844 and 10,121,700 shares for the quarters ended 30 June 2012 and 2011, respectively, and 10,123,679 and 10,121,700 shares for the six-month periods ended 30 June 2012 and 2011, respectively.

GLOBAL GRAPHICS SA AND SUBSIDIARIES
INTERIM MANAGEMENT REPORT OF THE COMPANY'S BOARD OF DIRECTORS
FOR THE QUARTER AND THE SIX-MONTH PERIOD ENDED 30 JUNE 2012
Translation of the French language original

Pursuant to the transposition under article L.451-1-2 of the French Monetary and Financial Code of the EU Directive 2004/109/CE of the European Parliament and of the Council of 15 December 2004 (the Transparency Directive), we present to you the interim management report of the Company's Board of Directors for the quarter and the six-month period ended 30 June 2012.
This interim management report was authorized for issue by the Company's Board of Directors on 29 August 2012.

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

(a) Structure of the Company as at 30 June 2012
No change has occurred in the Company's structure during the quarter and the six-month ended 30 June 2012.
Global Graphics Software (India) Private Limited, which has been dormant since late April 2010, is under liquidation since early May 2010; the completion of the liquidation process is dependent only on a formal decision from the Indian judiciary authorities.
Please also refer to note 16 to the Company's condensed consolidated interim financial statements as at and for the quarter and the six-month period ended 30 June 2012 for further information on this.

(b) Changes in the Company's structure since 1 July 2012
On the date this report was drafted, no change had occurred in the Company's structure since 1 July 2012.

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

(a) Quarter ended 30 June 2012

(i) Sales analysis
Sales were 2,429 in the quarter ended 30 June 2012, compared with 2,117 in the second quarter of the financial year ended 31 December 2011, or an increase of 14.7% at current exchange rates over that period.
Approximately 78.2% of the Company's sales made in the quarter ended 30 June 2012 were denominated in US dollars, which substantially increased versus the euro, since the average euro/US dollar rate was 1.280 in the quarter ended 30 June 2012, while it was 1.438 in the second quarter of the financial year ended 31 December 2011, or a sequential increase of 12.3%.
At constant exchange rates, sales made in the quarter ended 30 June 2012 would have amounted to approximately 2,163, showing an increase of 2.2% over the figure reported for sales in the second quarter of the financial year ended 31 December 2011.

Sales made in the Print segment of the Company's business were 2,217 in the quarter ended 30 June 2012, and showed an increase of 52.9% at current exchange rates and of 36.2% at constant exchange rates, over the 1,450 figure reported for sales made in the same segment of the Company's business in the second quarter of the financial year ended 31 December 2011, notably because the Company entered into several new contracts for the provision of the Company's RIP technologies in the quarter ended 30 June 2012 (see note 3a below).
Sales made in the eDoc segment of the Company's business were 212 in the quarter ended 30 June 2012, and showed a decrease of 68.2% at current exchange rates and of 71.8% at constant exchange rates over the 667 figure reported for sales made in the same segment of the Company's business in the second quarter of the financial year ended 31 December 2011, predominantly because of an unfavorable comparison basis since sales reported for the quarter ended 30 June 2011 mostly consisted of an annual bulk order the Company now expects to receive in the second half of the current financial year.

(ii) Operating loss
The Company reported an operating loss of 99 in the quarter ended 30 June 2012 (or 4.1% of the quarter's sales), compared with an operating profit of 7 in the second quarter of the financial year ended 31 December 2011 (or 0.3% of that quarter's sales), or an unfavorable variance of 106, which can be analyzed as follows:
- sales increased by 312, as set out in note 2a (i) above;
- cost of sales was 111 in the quarter ended 30 June 2012 (4.6% of the quarter's sales), compared with 106 in the second quarter of the financial year ended 31 December 2011 (5.0% of that quarter's sales), or an unfavorable variance of 5;
- selling, general and administrative expenses totaled 1,079 in the quarter ended 30 June 2012 (44.4% of the quarter's sales), showing an increase of 8 (i.e. of 0.7%) over the 1,071 figure reported for such expenses in the second quarter of the financial year ended 31 December 2011 (50.6% of that quarter's sales);
- research & development expenses totaled 1,338 in the quarter ended 30 June 2012 (55.1% of the quarter's sales) showing an increase of 241 (i.e. of 22.0%) over the 1,097 figure reported for such expenses in the second quarter of the financial year ended 31 December 2011 (51.8% of that quarter's sales).
Research & development expenses reported for the quarter ended 30 June 2012 included an expense of 51 with respect of the effect, after amortization, of the capitalization of eligible development expenses relating to the development projects for which all criteria for such capitalization were met, compared with a corresponding benefit of 83 in the second quarter of the financial year ended 31 December 2011, or an unfavorable variance of 134 (please refer to note 4b to the Company's condensed consolidated interim financial statements as at and for the quarter and the six-month period ended 30 June 2012 for further information on this);
- there were no other operating expenses in either of the quarters ended 30 June 2012 or 2011;
- there was no other operating income in the quarter ended 30 June 2012, compared with other operating income amounting to 164 in the second quarter of the financial year ended 31 December 2011, or an unfavorable variance of 164.

(iii) Loss before income tax
The Company reported a loss before income tax of 110 in the quarter ended 30 June 2012 (or 4.5 % of the quarter's sales), compared with a profit before income tax of 15 in the second quarter of the financial year ended 31 December 2011 (or 0.7% of that quarter's sales), or an unfavorable variance of 125 which resulted from the combination of:

- the decrease of the operating result, which was a loss of 99 in the quarter ended 30 June 2012 compared with a profit of 7 in the second quarter of the financial year ended 31 December 2011, or an unfavorable variance of 106 as discussed above;
- the decrease in interest income of 1 over the 1 figure reported for interest income in the second quarter of the financial year ended 31 December 2011, or an unfavorable variance of 1;
- no interest expense was recorded in the quarter ended 30 June 2012, compared with an interest expense of 18 in the second quarter of the financial year ended 31 December 2011, or a favorable variance of 18; and
- the unfavorable effect of foreign currency exchange differences, which were losses of 11 in the quarter ended 30 June 2012, compared with gains of 25 in the second quarter of the financial year ended 31 December 2011, or an unfavorable variance of 36.

(iv) Net loss

The Company reported a net loss of 124 in the quarter ended 30 June 2012 (or a net loss of Euro 0.01 per share) after giving effect to an income tax expense of 14 (including a current income tax expense of 9 and a deferred tax expense of 5), compared with a net loss of 53 in the second quarter of the financial year ended 31 December 2011 (or a net loss of Euro 0.01 per share), after effect of a tax expense of 68.

(b) Six-month period ended 30 June 2012

(i) Sales analysis

Sales were 4,477 in the six-month period ended 30 June 2012, compared with 4,195 in the same period of the financial year ended 31 December 2011, or an increase of 6.7% at current exchange rates over that period.

Approximately 79.2% of the Company's sales made in the six-month period ended 30 June 2012 were denominated in US dollars, which substantially increased versus the euro, since the average euro/US dollar rate was 1.294 in the six-month period ended 30 June 2012, while it was 1.393 in the same period of the financial year ended 31 December 2011, or a sequential increase of 7.7%.

At constant exchange rates, sales made in the six-month period ended 30 June 2012 would have amounted to approximately 4,132, showing a decrease of 1.5% over the figure reported for sales in the same period of the financial year ended 31 December 2011.

Sales made in the Print segment of the Company's business were 4,057 in the six-month period ended 30 June 2012, and showed an increase of 29.2% at current exchange rates and of 19.2% at constant exchange rates, over the 3,140 figure reported for sales made in the same segment of the Company's business in the same period of the financial year ended 31 December 2011, notably because the Company entered into several new contracts for the provision of the Company's RIP technologies in the six-month period ended 30 June 2012 (see note 3a below).

Sales made in the eDoc segment of the Company's business were 420 in the six-month period ended 30 June 2012, and showed a decrease of 60.2% at current exchange rates and of 63.2% at constant exchange rates over the 1,055 figure reported for sales made in the same segment of the Company's business in the same period of the financial year ended 31 December 2011, predominantly because of an unfavorable comparison basis since a significant portion of sales reported for the six-month period ended 30 June 2011 consisted of an annual bulk order the Company now expects to receive in the second half of the current financial year.

(ii) Operating loss

The Company reported an operating loss of 410 in the six-month period ended 30 June 2012 (or 9.2% of the period's sales), compared with an operating loss of 280 in the same period of the financial year ended 31 December 2011 (or 6.7% of that period's sales), or an unfavorable variance of 130, which can be analyzed as follows:

- sales increased by 282, as set out in note 2b (i) above;
- cost of sales was 194 in the six-month period ended 30 June 2012 (4.3% of the period's sales), compared with 213 in the same period of the financial year ended 31 December 2011 (5.1% of that period's sales), or a favorable variance of 19;
- selling, general and administrative expenses totaled 2,176 in the six-month period ended 30 June 2012 (48.6% of the period's sales), showing an increase of 7 (i.e. of 0.3%) over the 2,169 figure reported for such expenses in the same period of the financial year ended 31 December 2011 (51.7% of that period's sales);
- research & development expenses totaled 2,517 in the six-month period ended 30 June 2012 (56.2% of the period's sales) showing an increase of 219 (i.e. of 9.5%) over the 2,298 figure reported for such expenses in the same period of the financial year ended 31 December 2011 (54.8% of that period's sales).

Research & development expenses reported for the six-month period ended 30 June 2012 included a benefit of 4 with respect of the effect, after amortization, of the capitalization of eligible development expenses relating to the development projects for which all criteria for such capitalization were met, compared with a corresponding benefit of 124 in the same period of the financial year ended 31 December 2011, on an unfavorable variance of 120 (please refer to note 4b to the Company's condensed consolidated interim financial statements as at and for the quarter and the six-month period ended 30 June 2012 for further information on this);

- there were no other operating expenses in either of the six-month periods ended 30 June 2012 or 2011;
- there was no other operating income in the six-month period ended 30 June 2012, compared with other operating income amounting to 205 in the same period of the financial year ended 31 December 2011, or an unfavorable variance of 205.

(iii) Loss before income tax

The Company reported a loss before income tax of 439 in the six-month period ended 30 June 2012 (or 9.8% of the period's sales), compared with a loss before income tax of 318 in the same period of the financial year ended 31 December 2011 (or 7.6% of that quarter's sales), or an unfavorable variance of 121 which resulted from the combination of:

- the increase of the operating loss, which was 410 in the six-month period ended 30 June 2012, compared with a loss of 280 in the same period of the financial year ended 31 December 2011, or an unfavorable variance of 130 as discussed above;
- the decrease in interest income of 2 over the 3 figure reported for interest income in the six-month period ended 30 June 2011, or an unfavorable variance of 2;
- no interest expense was recorded in the six-month period ended 30 June 2012, compared with an interest expense of 26 in the same period of the financial year ended 31 December 2011, or a favorable variance of 26; and
- the unfavorable effect of foreign currency exchange differences, which were losses of 30 in the six-month period ended 30 June 2012, compared with losses of 15 in the same period of the financial year ended 31 December 2011, or an unfavorable variance of 15.

(iv) Net loss

The Company reported a net loss of 447 in the six-month period ended 30 June 2012 (or a net loss of Euro 0.04 per share) after giving effect to an income tax expense of 8 (including a current income tax expense of 13 and a deferred tax benefit of 5), compared with a net loss of 150 in the same period of the financial year ended 31 December 2011 (or a net loss of Euro 0.01 per share), after effect of a tax benefit of 168.

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

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

(i) Operational highlights
Commenting on the quarter's performance, Gary Fry, Global Graphics' Chief Executive Officer, said: "I am pleased to report that our sales performance in the second quarter of the current financial year is ahead of expectations and that our cash position remains strong.
"We signed five contracts during the quarter, two of which give us a foothold in the mid-range digital print market and another in the market for managed print services. We were also very pleased to announce that our relationship with HP continues to expand and that the Harlequin RIP has been chosen to drive HP's Print Module System which was unveiled at drupa last May. This tradeshow was very successful for us as a platform to communicate to the industry the superiority of our Harlequin RIP technology for high-speed digital printing applications.
"In the electronic document segment, the gDoc Binder platform has been rolled out to 100 lawyers by a London law firm, Speechly Bircham. This technology continues to gain traction in the legal market and is being actively promoted by our system integrator partners."

(ii) Financial highlights for the six-month period ended 30 June 2012

- Adjusted financial performance

Adjusted operating loss
The Company reported an adjusted operating loss of 346 in the six-month period ended 30 June 2012 (or an adjusted operating loss equal to 7.7% of the period's sales), compared with an adjusted operating loss of 532 in the same period of the financial year ended 31 December 2011 (or an adjusted operating loss equivalent to 12.7% of that period's sales), or a favorable variance of 186.

Adjusted pre-tax loss
The Company reported an adjusted pre-tax loss of 375 (or an adjusted pre-tax loss of Euro 0.04 per share) in the six-month period ended 30 June 2012, compared with an adjusted pre-tax loss of 544 (or an adjusted pre-tax loss of Euro 0.05 per share) in the same period of the financial year ended 31 December 2011, or a favorable variance of 169.

Adjusted net loss
The Company reported an adjusted net loss of 447 (or an adjusted net loss of Euro 0.04 per share) in the six-month period ended 30 June 2012, compared with an adjusted net loss of 296 (or an adjusted net loss of Euro 0.03 per share) in the same period of the financial year ended 31 December 2011, being noted that the R&D tax credit for the financial year ended 31 December 2010 was repaid for an amount of 253 in the six-month period ended 30 June 2011 to the UK subsidiary of the Company. The repayment of the R&D tax credit for the financial year ended 31 December 2011, which was estimated to approximately Euro 0.4 million, is now expected in the second half of the current financial year (please refer to note 7e to the Company's condensed consolidated interim financial statements as at and for the quarter and the six-month period ended 30 June 2012 for further information on this)

- Cash flows for the six-month period ended 30 June 2012

Net cash flows used by the Company's operations amounted to 54 in the six-month period ended 30 June 2012 (or 1.2% of the period's sales), compared with net cash flows provided by the Company's operations amounting to 265 in the same period of the financial year ended 31 December 2011 (or 6.3% of that period's sales).

Cash balances available at 1 January 2012 (which amounted to 2,315) allowed the Company to fund these operating requirements as well as its capital expenditures incurred in the six-month period ended 30 June 2012, either on property, plant and equipment for 58, or those resulting from the capitalization of development expenses for 741, and to close the period with a net cash position of 1,541 (1,396 as at 30 June 2011).

(b) Commentary on the remainder of the current year by the Company's CEO

Gary Fry added: "Our Harlequin and Jaws OEM partners have informed us that they had a very good drupa tradeshow: we therefore anticipate that this should result in additional revenues for the remainder of this year and into the next financial year. We also had a very positive reaction from major digital print vendors about the results of our independent performance testing on the Harlequin RIP.

NOTE 4: SIGNIFICANT OPERATIONAL AND FINANCIAL RISK FACTORS

(a) Significant operational risk factors

Please refer to note 2d to the report on the Company's operations for the financial year ended 31 December 2011, which was drafted by the Company's Board of Directors and was included in the Company's annual financial report for that year, for a discussion on these risk factors.

(b) Significant financial risk factors

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

(i) Foreign exchange risk

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

- Risk arising from future commercial transactions and balance sheet items

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

These contracts gave the Company the right, but not the obligation, to convert at respective maturity dates of these contracts an amount of US dollars into euros at a maximum rate (the 'strike price') assuming that, during the life of the corresponding contract, the exchange rate between the $ and the euro or the British pound, as applicable, was always higher than a minimum rate (the trigger rate). Should this trigger rate occur, the Company would be obliged to convert an amount of $ at the strike price at respective maturity dates of these contracts.

One option contract was outstanding at 30 June 2012, which had a nominal value of $125,000, which was due to expire on 24 September 2012, and had respective option trigger and strike prices of $1.1800 and $1.3400 for 1 Euro.

The Company recorded an exchange loss of 1 with respect of foreign currency option contracts in the six-month period ended 30 June 2012, compared with nil in the same period of the financial year ended 31 December 2011 in the absence of such contracts outstanding at either 31 December 2010 or 30 June 2011.

- Risk arising from net investments in foreign subsidiaries

The Company has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

Currency exposure arising from the net assets of the Company’s foreign operations in the UK and in the US is managed primarily through borrowings denominated in the relevant foreign currencies, where appropriate.

Please refer to note 6 to the Company’s condensed consolidated interim financial statements for the quarter and the six-month period ended 30 June 2012 for further information on foreign currency exchange differences for those periods.

(ii) Credit risk

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

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

The ten major customers represented approximately 61.2% of the Company’s sales in the six-month period ended 30 June 2012 (compared with 60.6% for the same period of the financial year ended 31 December 2011); approximately 45.3% of sales were made with the five largest customers of the Company in the six-month period ended 30 June 2012 (compared with 44.1% for the same period of the financial year ended 31 December 2011), and approximately 17.7% with the major customer alone in the six-month period ended 30 June 2012 (compared with 11.4% for the same period of the financial year ended 31 December 2011).

(iii) Liquidity risk

Due to the dynamic nature of its business, the Company aims to maintain flexibility for financing its activities by keeping committed credit lines available. However, considering the Company’s cash position of 1,541 as at 30 June 2012, and the absence of any financial debt at such date, the Company did not apply for any lines of credit in the six-month period ended 30 June 2012.

(iv) Cash-flow interest-rate risk

As the Company had no significant interest-bearing assets and liabilities at either 30 June 2012 or 31 December 2011, the Company’s income and operating cash flows for the six-month period ended 30 June 2012 were substantially independent of changes in market interest rates.

Please refer to note 6 to the Company’s condensed consolidated interim financial statements for the quarter and the six-month period ended 30 June 2012 for further information on interest income and expenses recognized during those periods.

(v) Sovereign debt risk

The Company did not have any exposure to sovereign debt risk as at and during the six-month period ended 30 June 2012 as it did hold any financial assets of that nature during that period.

(vi) Risk arising from the Eurozone crisis

The Company's exposure to the Eurozone crisis is limited since sales made in the eurozone countries are predominantly made with customers located in countries of the Eurozone which are not considered risky such as Germany and the Netherlands, and that a sizeable portion of sales made within the Eurozone countries is denominated in other currencies than the Euro, as shown below:

- Breakdown of sales made in Europe by country

In thousands of euros Unaudited and unreviewed figures	Quarter ended 30 June 2012	Quarter ended 30 June 2011	Six months to 30 June 2012	Six months to 30 June 2011
- Germany	86	115	223	206
- Netherlands	12	13	24	284
- PIGS countries	0	1	1	1
- France	1	1	6	2
Total Eurozone countries	99	130	254	493
% of total sales for the period	4.1%	6.0%	5.7%	11.8%
United Kingdom	48	12	190	64
Other countries	11	30	54	70
Total sales made in Europe	158	172	498	627

- Currencies in which sales made in the Eurozone countries are denominated

In thousands of euros Unaudited and unreviewed figures	Quarter ended 30 June 2012	Quarter ended 30 June 2011	Six months to 30 June 2012	Six months to 30 June 2011
Euro	56.2%	64.2%	66.4%	29.3%
- US dollar	10.6%	6.5%	8.3%	56.0%
- Pound Sterling	33.2%	29.3%	25.3%	14.7%
Other currencies than the euro	43.8%	35.8%	33.6%	70.7%
Total sales made in Europe	100.0%	100.0%	100.0%	100.0%

(c) Other significant risk factors

(i) Use of accounting estimates and of forecasts

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

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

Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period and future periods if the revision affects both current and future periods.
Please refer to notes 4a (ii) and 4c (ii) to the Company's condensed consolidated interim financial statements for the quarter and the six-month period ended 30 June 2012 for further information on critical accounting estimates and the use of sales and cash flow forecasts, as well as the risks attached to them, the downward revisions of which may principally affect the carrying value of goodwill and other intangible assets (including those resulting from the capitalization of development costs) as well as of deferred tax assets.

(ii) Future changes in, or interpretations of, accounting principles
As noted in note 2a to the Company's consolidated financial statements for the financial year ended 31 December 2011, the Company prepares its consolidated financial statements in accordance with IFRSs, as amended from time to time, and related interpretations issued by the IASB, as adopted by the EU.
Accordingly, changes to these standards by the IASB or delays in the adoption of these standards by the EU, may have a significant effect on the Company's reported results and may even retroactively affect previously reported transactions or periods.
Accounting principles used by the Company that may be affected by recently issued exposure drafts notably include the following:

- Income tax
The exposure draft on income tax, which was published for public comments by the IASB on 31 March 2009, outlined proposed changes to the method of accounting for income tax. The project started as a convergence project with US Generally Accepted Accounting Principles (US GAAP); however, in the light of responses to that exposure draft, the Board of the IASB narrowed the scope of the project, which resulted in certain amendments to the existing standard, IAS 12, Income Taxes, in December 2010.
The IASB hinted that it may consider a fundamental review of the accounting for income taxes as part of its agenda consultation process during 2012.

- Revenue recognition
The exposure draft, Revenue from Contracts with Customers, which was published for public comment by the IASB and the Financial Accounting Standard Board (FASB) on 24 June 2010, outlined the IASB's intent to publish a final standard on revenue recognition no later than June 2011 to supersede the existing two standards on revenue recognition: IAS 11, Construction Contracts, and IAS 18, Revenue, as well as related interpretations.
On 15 June 2011, the IASB and the FASB issued a joint press release confirming that a new exposure draft would be issued for comments during the third quarter of 2011, the objective being to issue a new standard in the course of 2012.
On 14 November 2011, the IASB and the FASB issued for public comment a second exposure draft to improve and converge the financial reporting requirements of IFRSs and US GAAP for revenue (and some related costs) from contracts with customers; both standards-setters now expect to issue a final standard on revenue recognition in the second half of 2012 or in the first half of 2013, with an effective date expected to be 1 January 2015.

NOTE 5: RELATED PARTY TRANSACTIONS
Please refer to note 15 to the Company's condensed consolidated interim financial statements for the quarter and the six-month period ended 30 June 2012 for further information on such transactions.

NOTE 6: INFORMATION ON THE COMPANY'S PERSONEL

(a) Breakdown by geographical area of employment

	30 June 2012	31 December 2011
United Kingdom	64	63
United States of America	8	8
Japan	3	2
Continental Europe	2	2
Total	77	75

(b) Breakdown by nature of employment

	30 June 2012	31 December 2011
Research and development	48	48
Sales and support	18	16
General & administrative	11	11
Total	77	75

As at 30 June 2012, the Company also employed a total of 3 full-time contractors, of which 2 were software developers.

NOTE 7: VOTING RIGHTS AND SIGNIFICANT SHAREHOLDERS

(a) Voting rights attached to shares outstanding as at 30 June 2012

(i) Theoretical number of voting rights

Number of shares to which a single voting right is attached	10,283,061
Number of shares to which a double voting right is attached	6,720
Theoretical number of voting rights attached to the Company's ordinary shares which were outstanding at 30 June 2012	10,296,501

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

Theoretical number of voting rights computed as indicated above	10,296,501
Number of voting rights attached to own shares held by the Company	(165,517)
Total number of voting rights to be used for shareholders' meeting quorum computation as at 30 June 2012	10,130,984

(b) Significant shareholders as at 30 June 2012

(i) Stichting Andlinger & Co. Euro-Foundation
As at 30 June 2012, Stichting Andlinger & Co. Euro-Foundation held 2,883,001 shares of the Company, or approximately 28.02% of the total number of shares of the Company which were outstanding at such date.
Attached to these 2,883,001 shares were a total of 2,883,021 voting rights, representing approximately 28.00% of the total number of voting rights attached to the Company's ordinary shares which were outstanding as at 30 June 2012.

(ii) Other significant shareholders

As at 30 June 2012, no other shareholder was known to the Company to hold in excess of either 5.0% of the total number of shares forming the share capital of the Company, or 5.0% of the theoretical number of voting rights attached to such shares as computed in note 7a above.

NOTE 8: INFORMATION REGARDING GLOBAL GRAPHICS SA

Because Global Graphics SA (the Parent) has only one employee and also because all of its revenue results from the recharge of corporate management fees to the Company's operating entities which are based in the UK and in the US, the Parent's statutory results for the quarter and the six-month period ended 30 June 2012 are not provided since they were not considered as meaningful in the context of the reporting of the Company's condensed consolidated results as at and for the quarter and the six-month period ended 30 June 2012.

GLOBAL GRAPHICS SA AND SUBSIDIARIES
STATEMENT MADE BY THE PERSON TAKING RESPONSIBILITY FOR THE INTERIM FINANCIAL REPORT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012
Translation of the French language original

I hereby confirm that, to the best of my knowledge, the condensed consolidated interim accounts included in the Company's interim financial report for the six-month period ended 30 June 2012 have been prepared in accordance with IAS 34, Interim Financial Reporting, and more generally with International Financial Reporting Standards (IFRSs) and related interpretations issued by the International Accounting Standards Board, as adopted by the European Union, and give a true and fair view of the assets, liabilities, financial position, and profit or loss of Global Graphics SA and its subsidiaries as at and for the six-month period ended 30 June 2012.

I also hereby confirm that the attached interim management report includes a fair review of the information referred to in article 222-6 of the Règlement général de l'Autorité des marchés financiers, and notably of the material events that occurred in the six-month period ended 30 June 2012 and their impact on the condensed consolidated interim accounts for the same period, the main risks and uncertainties for the remaining six months of the current financial year, and the main transactions with related parties which occurred during the six-month period ended 30 June 2012.

Made in Brussels (Belgium), on 29 August 2012,

Gary Fry
Chief Executive Officer