STEP INTO THE DIGITAL WORLD

FIRST HALF 2014 MANAGEMENT REPORT

Cegid Group

Contents first half 2014 management report

First half management report

1. Sales and results in the first half of 2014

CONSOLIDATED SALES

Consolidated sales, unadjusted scope (in €M)	H1 2014	H1 2013	Change	
	€M	€M	€M	%
SaaS	**22.9**	**18.1**	**+4.7**	**+26.2%**
Licenses	15.6	15.9	-0.3	-2.2%
Maintenance	50.5	50.5	-	-
Other	2.2	2.2	-	-
Total Software and software-related services (SSRS)	**91.2**	**86.7**	**+4.5**	**+5.2%**
Professional services	28.2	28.8	-0.6	-2.1%
Total SSRS and professional services	**119.4**	**115.5**	**+3.9**	**+3.3%**
Hardware distribution and other	11.3	13.2	-1.9	-14.2%
TOTAL	**130.7**	**128.7**	**+2.0**	**+1.6%**
Of which recurrent	77.6	73.5	+4.1	+5.5%
Recurrent/Total	59.3%	57.1%		

H1 2014 sales saw a continuation of the trends of 2013 and Q1 2014. Cegid's business model continued to evolve, with more strong growth in SaaS and an increasingly recurrent revenue stream.

SaaS revenue, developed around Cegid's private cloud, totaled nearly €23 million, up 26% over H1 2013. Recurrent sales (€77.6 million), including revenue from software and hardware maintenance contracts, portals and SaaS contracts, represented more than 59% of total sales, an increase of more than two percentage points compared with H1 and FY 2013.

The value of active SaaS contracts as of July 1, 2014 was €97.3 million [(1)].

Revenue from Licenses (€15.6 million) demonstrated good performance, keeping in mind that Licenses in H1 2013 (€15.9 million) included deliveries on certain large accounts for an overall amount of nearly €1 million. This caused an unfavorable basis effect.

Revenue from strategic "Software and software-related services" (SSRS) was up 5.2% in H1 2014, prolonging the Q1 increase, and totaled €91.2 million. SSRS revenue represented nearly 70% of total sales and its proportion of total sales increased by 2.5 percentage points compared with H1 2013.

Revenue from "SSRS and professional services" (€119.4 million) advanced by more than 3%, with services revenue of €28.2 million down slightly (2.1%) compared with H1 2013.

Cegid continued to scale back its non-strategic, lower-margin "Hardware distribution and other" business, which generated revenue of €11.3 million, or 9% of total sales, down more than 14% from H1 2013. First half 2014 consolidated sales thus totaled €130.7 million, up 1.6% from the H1 2013 figure of €128.7 million.

Internationally, Cegid saw continued expansion, essentially in the Retail sector, with sales rising 11%, or well in excess of the Group's overall growth.

CONSOLIDATED SALES BY BUSINESS SECTOR

Consolidated sales (€M) unadjusted scope*		Q2	H1 total	of which "SSRS and professional services"	of which "Hardware distribution and other"
CPAs, small companies	2014	24.5	50.8	44.3	6.5
	2013	22.9	48.0	41.1	6.9
Vertical markets	2014	19.2	36.9	33.5	3.4
	2013	19.4	38.0	33.7	4.3
Mid-market and groups	2014	16.5	33.3	32.7	0.6
	2013	16.7	33.3	32.4	0.9
Public sector	2014	4.5	8.5	8.5	0.0
	2013	4.3	8.2	8.2	0.0
Miscellaneous	2014	0.4	1.2	0.4	0.8
	2013	0.4	1.2	0.1	1.1
Total	2014	65.1	130.7	119.4	11.3
	2013	63.7	128.7	115.5	13.2

* Changes in the scope of consolidation take into account any alterations in the operational organization.

(1) The value of SaaS contracts is defined as the internal, unaudited value of active contracts extrapolated over their remaining lifetime for fixed maturity contracts and over 36 months in most cases for automatic renewal contracts, taking into account the previous year's churn rate.

CONSOLIDATED RESULTS

Unadjusted scope (in €M)	H1 2014	H1 2013	Chg. in %
Sales	130.7	128.7	+1.6%
Gross profit	114.2	113.8	+0.3%
EBITDA	34.5	33.3	+3.6%
Income from ordinary activities	**14.8**	**12.6**	**+17.9%**
Operating income	15.7	12.4	+26.6%
Net financial expense	-0.8	-0.8	+4.5%
Pre-tax income	14.9	11.6	+28.8%
Net income (Group share)	8.8	7.3	+20.0%

Gross profit amounted to €114.2 million, up slightly compared with H1 2013. The change in gross margin (87.3%, one percentage point lower than in H1 2013) principally reflected the normal increase in purchases related to the cost of producing SaaS solutions, in line with the growth in the SaaS business.

A tight grip on operating expenses led to a reduction in the average monthly breakeven point to €19.0 million in H1 2014 (€19.1 million in H1 2013).

Income from ordinary activities totaled €14.8 million in H1 2014, up 18%, after taking into account the amortization/depreciation of the following items: capitalized development costs, assets identified during business combinations, operating investments (up €0.3 million compared with H1 2013) and strategic international investments (Brazil, United Arab Emirates, Russia).

H1 2013 earnings had included the reversal of around €0.6 million in provisions. Excluding this reversal, income from ordinary activities increased by nearly 24% compared with H1 2013, Cegid's best first-half performance ever.

Operating income stood at €15.7 million, up €3.3 million or 26.6% compared with H1 2013, and included net non-recurrent income of €0.9 million.

Interest expense was €0.8 million, identical to that of H1 2013. Income tax was €5.5 million, vs. €4.1 million in H1 2013. Cegid's share of income from equity-accounted companies was €-0.5 million, vs. €-0.1 million in H1 2013. As a result, H1 2014 net consolidated income was €8.8 million, vs. €7.3 million in H1 2013, representing an increase of almost 20%.

NET CASH FROM OPERATING ACTIVITIES: €23.4 MILLION - REDUCTION IN NET DEBT

Net cash from operating activities totaled €23.4 million, vs. €28.7 million in H1 2013. This amount reflected the change in WCR related to operating expenses recognized in 2013 but disbursed in H1 2014 (collective performance bonuses, profit sharing, income tax, etc.)

Net debt declined significantly to €52.3 million, vs. €66.5 million at June 30, 2013 and €54.7 million at December 31, 2013. This reduction reflected a net amount of approximately €8.1 million deriving from the sale of the Hospitality business and a payment received in connection with premises leased in Paris, which will be applied to the costs of the project and refurbishment to be carried out in the second half of the year.

As a result, gearing, the ratio of net debt to consolidated shareholders' equity (€190.9 million) was 27.4% (36.9% as of June 30, 2013 and 28.5% as of December 31, 2013).

As of July 1, 2014, Cegid had a syndicated line of credit totaling €170 million, of which €105 million was available. Between 2015 and 2017, this line will reduce annually on June 30. It provides Cegid with a significant drawdown capacity for future years, which it can use to finance its investment needs, in particular acquisitions.

CEGID GROUP FINANCIAL STATEMENTS

Cegid Group is a holding company. Its revenues, composed essentially of royalties received from subsidiaries, totaled €2.5 million. Its operating income was €0.05 million and its net income was €8.1 million including the dividend paid by the subsidiary Cegid SA (€9.1 million).

2. Highlights in H1 2014

CEGID RELEASES NEW SOLUTIONS TO ASSIST THE DIGITAL TRANSFORMATION OF COMPANIES AND THE PUBLIC SECTOR

A new generation of Cegid solutions

In response to the digital transformation challenges faced by companies, Cegid has created Yourcegid Y2, the latest generation of Yourcegid solutions. Combining competitiveness, innovation and simplicity, and designed around the Mobiclo (MObility, Business Intelligence & CLOud) strategy, Yourcegid Y2 delivers solutions covering all the needs of SMEs, including Payroll/Human Resources, Finance/Tax, Manufacturing, Trade and Services. Yourcegid Y2 can also be operated in SaaS mode, enabling customers to control their costs and enjoy the operating security guaranteed by Cegid's private cloud, built in partnership with IBM.

Human Resources

Yourcegid HR Talents is an example of our Mobiclo strategy in action. The smartphone-compatible integrated management solution designed for SMEs provides useful strategic workforce planning indicators, automates processes and offers means of securing employee loyalty, such as training programs, mobility (with a geolocalization module), performance appraisals, career management, employee commitment and motivation drivers, key skills development and much more.

Furthermore, we now also offer a comprehensive support plan to assist CPA firms and companies of all sizes in applying the new DSN [1] regulation, which aims, by 2016, to simplify payroll filing procedures by harmonizing all periodical and event-related filings that employers or third parties carry out with social welfare agencies as well as administrative formalities used for statistical purposes.

[1] The new legislation will be implemented progressively, on a voluntary basis, between now and January 1, 2016, the date at which it will become mandatory. However, certain companies and accounting firms will most likely be required to adhere to it by July 2015.

Accounting profession and SMEs

At the fifth edition of Cegid On Air, we presented our innovative solutions in response to the challenges accounting firms face as their industry undergoes radical change, including a shift in their business model, the digital revolution, the cloud, the DSN regulation, and changes to customer relationships, with a focus on collaborative work and consulting assignments. We also offer solutions that cater to regulatory changes regarding, for example, accounting records, online tax filings and bank statement integration.

Cegid Retail

Cegid, established in the United States since 2002, presented the latest features and innovations of its Yourcegid Retail software at the National Retail Federation 2014 (NRF 2014) in New York. The focus was on omnichannel and international retailing, with web-to-store, click & collect, mobility and retail intelligence. These MoblicloTM solutions enable retailers to manage their distribution networks, from purchase right through to sale.

The innovations form an integral part of the second version of the Cegid Innovation Store, built by Cegid in collaboration with a number of technology and industry partners. The fully digital store showcases the new, unique and consistent shopping experience available to customers thanks to web-based services that connect the customer with the internet channel, right up until the moment of purchase. Such web-based services include click & collect and web-to-store, save the sale, store returns, store to home, facial recognition, RFID technology with the RFID self checkout, social mirror, sensorial marketing, social rewards and social network analyses.

Cegid Manufacturing

We help automotive industry professionals manage their everyday challenges with Yourcegid Manufacturing Automotive, a management solution that handles the needs inherent to their sector of activity, including sales and procurement management, production and quality management, and traceability. In this context, Cegid took part in the Odette Conference, attended by automotive industry experts and decision-makers from more than 20 countries. The focus of the conference was on changes to the automotive industry, assessing the challenges of implementing new standards and securing and optimizing the automobile supply chain.

Public sector

Our innovation strategy is articulated around the cloud, with the first fully SaaS-based portal dedicated to small local authorities. The portal, hosted in a private cloud, contains the first set of public-sector-specific services-Yourcegid Public Sector Channel-designed to facilitate the management duties and routine administrative tasks that elected officials, municipal secretaries and agents of small local authorities perform. A single portal houses all functions specific to their needs in the areas of payroll, accounting, citizen services, user invoices, coordination and collaboration with various local bodies (municipality group, treasury, institutions, etc.).

This solution offers a complete online workspace for public entities. It is secure, user-friendly and integrates innovative services such as an automated online assistant, configurable shortcuts to the main functionalities of each application, task alerts for the various public sector roles, pre-configured visual indicators and dashboards that managers can access in real time to manage their public entity. Public sector content and relevant information feeds inform users in real time of the latest public sector news (elected officials, municipal secretaries and agents of small local authorities) or news relating to the services they provide (risk prevention, legislative information, public sector sites).

Cegid Public has invested in paperless solutions, which remains a major challenge, with PES V2 still largely unadopted by public authorities. It has also invested in an appraisal management solution, which connects jobs and skills to mobility opportunities. Finally, Cegid Public is progressively integrating solutions into its Yourcegid Public Sector range in response to the DSN and GBCP regulations on nominative employee filings and budget management/public accounting respectively, both of which are products of the decree on controlling public expenditure.

Cegid Public took part in the 25th annual convention of CoTer Club, a federation of France's local authorities, which addresses IT and communication challenges. At this year's convention, based on the theme "Tablets for IT departments", Cegid Public presented its new releases and features in response to the latest digital technology needs and challenges faced by IT directors in public authorities. These focus in particular on data digitization, security and paperless operations (e-Administration, inter-service exchanges, paperless office, mobility and the need for rigor and efficiency with the reform of local authorities undertaken by the French government).

CEGID CONTINUES TO DEVELOP ITS PRINCIPAL ACTIVITIES

We finalized the sale of our Hospitality business to SequoiaSoft, a software provider for companies in the hospitality and wellness segments of the tourism market. The transaction took effect as of July 1, 2014. The hospitality business accounted for 21 members of staff and generated annual business volumes of €4 million. This transaction is in line with our intention to pursue our development by concentrating on our principal businesses, while entrusting a specialized provider with the responsibility of ensuring the continued long-term success of our customers' investments.

INTERNATIONAL DEVELOPMENT

Cegid Russia opens

Cegid is present worldwide, with 13 international subsidiaries and solutions localized in more than 25 languages and used in more than 75 countries. Most recently, we have entered the Russian market with the launch of our new subsidiary, Cegid Russia, in Moscow.

Cegid Russia will enable Cegid to respond to the requirements specific to Russian retailers, such as their need to produce TORG-13 forms, which are mandatory for inter-store transfers. We will also be able to support our international customers as they develop their businesses in Russia, a strategic market for Cegid and for retailers in the fashion, luxury goods, and clothing and accessories sectors.

VAR network extended into Poland

Cegid has offices in New York, San Francisco, Barcelona, Madrid, Porto, Milan, London, Casablanca, Tunis, Shenzhen, Shanghai, Hong Kong, Dubai, Tokyo, Sao Paulo, Moscow and Mauritius, and has developed partnerships in Italy, Spain, Romania and Turkey. We have now strengthened our position in Europe and by offering Yourcegid Manufacturing to the Polish market via our network of reseller-partners.

Through our partnership, we are in a position to support our international customers as they develop in the Polish market. Ideally positioned, Poland lies at the crossroads between large European investors and the large Eastern European markets, in particular Russia and Ukraine.

PARTNER NETWORK EXTENDED

The 2014 edition of "Cegid Club Partner" took place in the first half of the year. During the event, we celebrated our achievements in 2013, including signing contracts with over 20 new partners, awarding 500 certifications, with more than 70 partners receiving the Y2 certification, and welcoming more than 750 new customers on board. We also presented the new programs and support tools we are deploying so as to boost the development of our reseller-partners.

At the event, we presented our three key areas of focus for 2014 to our partners: stepping up the distribution of SaaS-based solutions, supporting partners in deploying digital marketing solutions and strengthening our field sales teams.

SUPPORTING THE COMMUNITY WITH CEGID EDUCATION

Over the last ten years, more than 50,000 students per year have been trained in Cegid solutions as part of the Cegid Education program.

In the context of the program, Cegid signed an agreement with ENOES, the CPA and audit business school in Paris, to train its students in Cegid's accounting profession solutions. ENOES, the renowned Paris-based business school founded in 1937, trains nearly half of all CPA candidates in France and its students have a high pass rate in the French national accounting diploma exams.

We have also partnered with CLEA, a Lyon-based CPA and audit body established by IAE Lyon in 2013 to organize and structure all specialized CPA and audit teaching and research activities offered by the business school either as a full-time study program or combined with on-the-job training. Cegid will contribute to the partnership by offering technological support and business expertise to the accounting studies department at IAE Lyon.

3. Risk factors

General risk factors have not changed during the period. Those factors are described on pages 79-82 of the 2013 Registration Document.

4. Transactions with related parties

During the first half of 2014, no significant transaction was carried out with an executive or with a shareholder who has significant influence over the Group.

5. Approval of parent company and consolidated financial statements

Cegid's parent company and consolidated financial statements for the first half of 2014 were approved by the Board of Directors on July 23, 2014.

6. Outlook

Innovation through MOBICLO™, bringing together Mobility, Business Intelligence and the Cloud

- developing opportunities for collaboration in solutions for the accounting profession and its small-company customers and stepping up the distribution of new TDA advisory products,
- contributing to the overall effort to simplify the nominative employee filing requirements now incumbent on private companies and the public sector,
- making new SaaS-mode product ranges available: HR (talent management, a packaged SME product, CBHR On Demand, HR internal auditing, and mobility), Manufacturing solutions, new SaaS-mode tax solutions (Yourcegid Etafi Start and initial tax integration modules) and a new work environment for small local authorities in the public sector channel.

A leading provider of B-to-B software

- real expertise in SaaS solutions with more than 105,000 users and extrapolated future revenue of nearly €97.3 million based on active contracts as of July 1, 2014 (internal, unaudited data), increasing potential invoicing and strengthening the recurrent nature of sales,
- broad functional coverage (accounting/finance, taxation, payroll/HR, performance management) for companies of all sizes, and "vertical market" industry specialization (CPAs, entrepreneurs, manufacturing, trade & services, retail, public sector),
- international development, essentially in the retail sector, gradually extending to the public sector and to manufacturing.

Performance is steadily improving despite the difficult economic context

Cegid has shown that it can improve its earnings and financial structure even in an uncertain and overall lackluster economic context. The strategy we have implemented over the last few years focusing on our solution range, high-quality service and cloud orientation has made us a major partner supporting the digital transformation of companies.

Cegid now has an installed base of 114,000 customers, including 37,000 connected small companies, giving Cegid high recurrent revenue (nearly 60% of H1 2014 sales). The objective is to step up new customer acquisition and to pursue action plans aimed at increasing internal efficiency. These efforts will focus on rationalizing our product and service ranges, boosting business development productivity and sharing skills and customer welcome areas.

With more recurrent business and a lower average monthly breakeven point, H1 2014 provided validation of Cegid's strategy, leading once again to a very favorable trend in earnings. While this trend cannot be extrapolated over the full year, it should ensure an increase in income from ordinary activities over all of 2014 compared with 2013.

7. Events since July 1, 2014

Since July 1, 2014, no events have taken place that might have a significant impact on Cegid's assets, liabilities or financial condition.

(In €000)	Note	H1 2014	% of sales	H1 2013	% of sales	2013	% of sales
Sales	6.1	130,727	100.0%	128,715	100.0%	259,933	100.0%
Goods & services purchased and change in inventories		-16,554	12.7%	-14,928	11.6%	-31,398	12.1%
Gross profit		114,173	87.3%	113,787	88.4%	228,535	87.9%
Capitalized expenditures		15,749	12.0%	16,235	12.6%	31,959	12.3%
External expenses		-22,155	16.9%	-22,950	17.8%	-45,301	17.4%
Value-added		107,767	82.4%	107,072	83.2%	215,193	82.8%
Taxes other than income taxes		-3,737	2.9%	-3,777	2.9%	-7,019	2.7%
Personnel costs		-69,557	53.2%	-70,021	54.4%	-139,069	53.5%
EBITDA		34,473	26.4%	33,274	25.9%	69,105	26.6%
Other ordinary income		474	0.4%	763	0.6%	1,722	0.7%
Other ordinary expenses		-627	0.5%	-911	0.7%	-1,966	0.8%
Depreciation, amortization and provisions		-19,482	14.9%	-20,539	16.0%	-37,727	14.5%
Income from ordinary activities		**14,838**	**11.4%**	**12,587**	**9.8%**	**31,134**	**12.0%**
Other operating income		6,674	5.1%	508	0.4%	623	0.2%
Other operating expense		-5,834	4.5%	-712	0.6%	-789	0.3%
Operating income	6.2	15,678	12.0%	12,383	9.6%	30,967	11.9%
Financial income		317	0.2%	128	0.1%	322	0.1%
Financial expense		-1,089	0.8%	-936	0.7%	-2,532	1.0%
Net financial expense	6.3	-772	-0.6%	-808	-0.6%	-2,210	-0.9%
Pre-tax income		14,907	11.4%	11,575	9.0%	28,758	11.1%
Income tax	6.4	-5,591	4.3%	-4,137	3.2%	-9,800	3.8%
Share in net income of equity-accounted subsidiaries		-513		-103		-185	
Net income		**8,803**	**6.7%**	**7,335**	**5.7%**	**18,773**	**7.2%**
Net income attributable to parent company shareholders		**8,803**	**6.7%**	**7,335**	**5.7%**	**18,773**	**7.2%**
Net income attributable to non-controlling interests							
Number of shares (excl. treasury shares)		8,731,604		8,733,524		8,741,683	
Earnings per share attributable to parent company shareholders		**€1.01**		**€0.84**		**€2.15**	

Statement of comprehensive income (in €000)	Note	H1 2014		H1 2013		2013	
Net income		**8,803**		**7,335**		**18,773**	
Exchange differences		59		-142		-97	
Hedging instruments measured at fair value		-38		314		388	
Effect of taxes		13		-108		-134	
Items recyclable into net income (sub-total)		34		64		157	
Actuarial gains and losses		-401		206			
Effect of taxes		138		-71			
Items non-recyclable into net income (sub-total)		-263		135			
Comprehensive income		**8,574**		**7,534**		**18,930**	
Comprehensive income attributable to parent company shareholders		**8,574**		**7,534**		**18,930**	
Comprehensive income attributable to non-controlling interests							

Net amounts (in €000)	Note	6/30/14	12/31/13	6/30/13
Goodwill	5.1.1 & 5.1.2	190,398	192,741	195,165
Intangible assets	5.1.3	78,840	81,808	79,755
Property, plant & equipment	5.1.4	5,032	4,943	4,101
Non-current financial assets	5.1.5	2,838	3,140	2,403
Equity-accounted subsidiaries	5.1.6	972	15	
Other receivables	5.2.1		1,289	2,771
Deferred tax	5.4	2,146	2,146	2,146
Non-current assets	**5.1**	**280,226**	**286,082**	**286,341**
Inventories and work-in-progress	5.2.1	1,522	643	602
Trade receivables and similar accounts	5.2.1 & 5.3	63,872	63,159	64,382
Other receivables and prepaid items				
Personnel	5.3	956	727	535
Sales tax receivable	5.3	3,475	3,165	3,208
Income tax receivable	5.3	94	116	2,577
Other receivables	5.3	2,015	2,310	1,977
Prepaid expenses		4,919	3,277	4,627
Cash and cash equivalents	5.2.2	13,499	5,883	2,182
Current assets		**90,352**	**79,280**	**80,090**
TOTAL ASSETS		**370,578**	**365,362**	**366,431**

Net amounts (in €000)	Note	6/30/14	12/31/13	6/30/13
Share capital		8,771	8,771	8,771
Share premium		95,241	95,241	95,241
Reserves		78,100	69,279	68,730
Net income for the period		8,803	18,773	7,335
Shareholders' equity attributable to parent company shareholders		190,915	192,064	180,077
Non-controlling interests/reserves				1
Non-controlling interests				1
Total shareholders' equity	**5.5**	**190,915**	**192,064**	**180,078**
Financial liabilities (portion > 1 year)	5.7	64,986	59,870	67,843
Acquisition-related debt (portion > 1 year)			276	240
Deferred tax	5.4	3,532	5,165	6,689
Provisions for pension obligations and employee benefits	5.6.1	14,824	14,020	13,343
Other provisions (portion > 1 year)	5.1.5			556
Non-current liabilities		**83,342**	**79,331**	**88,671**
Provisions for other liabilities (portion < 1 year)	5.6.2	6,605	5,923	6,424
Financial liabilities (portion < 1 year)	5.7	820	693	828
Trade accounts payable & similar accounts	5.3	19,897	21,843	20,752
Tax and social security liabilities	5.3			
Personnel		36,133	39,318	34,695
Other taxes and social security liabilities		1,542	1,402	1,604
Sales tax payable		4,895	4,930	4,773
Income tax payable		418	2,087	274
Other liabilities				
Acquisition-related debt (portion < 1 year)	5.3	290	394	3,747
Payables related to acquired non-current assets (portion < 1 year)	5.3	1,101	2,951	850
Other liabilities and unearned revenue				
Other current liabilities	5.3	4,070	4,308	5,322
Unearned revenue		20,550	10,118	18,413
Current liabilities		**96,321**	**93,967**	**97,682**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		**370,578**	**365,362**	**366,431**

(In €000)	H1 2014	H1 2013	2013
Net income	8,803	7,335	18,773
Share in net income of equity-accounted subsidiaries	513	103	185
Depreciation, amortization and provisions and elimination of non-cash revenue and expense items	19,836	19,526	38,043
Capital gains and losses on disposal of non-current assets	-2,635	99	128
Interest expense	778	580	1,397
Tax expense	5,591	4,137	9,800
Cash flow generated by the business	32,886	31,780	68,326
Interest paid	-659	-527	-1,217
Tax paid	-7,497	-2,888	-4,198
Cash flow after interest and tax paid	24,730	28,365	62,911
Change in inventories	-879	73	31
Change in accounts receivable	7,784	6,062	-1,333
Change in other receivables	-244	-2,056	-1,881
Change in trade payables	-3,589	-1,254	1,188
Change in other payables	-4,360	-2,498	1,840
Change in working capital requirement	-1,288	327	-155
Net cash from operating activities	23,442	28,692	62,756
Acquisition of intangible assets	-17,852	-16,854	-35,095
Acquisition of property, plant & equipment	-1,485	-679	-2,423
Acquisition of non-current financial assets	-12	-84	-744
Acquisition of companies net of acquired cash	-91	-235	-1,920
Disposal or decrease in non-current assets	8,428	131	245
Net cash from investing activities	-11,012	-17,721	-39,937
Net cash before financing	12,430	10,971	22,819
Acquisition of treasury shares	-309		
Dividends paid to parent company shareholders	-9,617	-9,175	-9,175
Drawdowns under medium-term lines of credit	65,000	68,000	60,000
Repayment of medium-term lines of credit	-60,000	-69,000	-69,000
Change in other financial debt	15	50	
Net cash from financing activities	-4,911	-10,125	-18,175
Opening cash and cash equivalents	5,656	1,012	1,012
Change in cash and cash equivalents	**7,519**	**846**	**4,644**
Closing cash and cash equivalents	**13,174**	**1,858**	**5,656**

(In €000)	H1 2014	H1 2013	2013
Cash	13,499	2,182	5,883
Bank overdrafts	-325	-324	-227
Closing cash and cash equivalents	**13,174**	**1,858**	**5,656**

(In €000)	Attributable to parent company shareholders: Share capital	Share premium	Other shareholders' equity	Reserves and retained earnings	Treasury shares	Income or loss recognized directly in equity	Total attributable to parent company shareholders	Attributable to non-controlling interests	Total shareholders' equity
Shareholders' equity as of 12/31/2012	**8,771**	**95,241**		**89,836**	**-8,541**	**-3,870**	**181,437**	**14**	**181,452**
First half 2013 net income				7,335			7,335		7,335
Shares held in treasury				14	-26		-12		-12
Exchange differences				-75		-67	-142		-142
Actuarial gains and losses						138	138		138
Hedging instruments measured at fair value						206	206		206
Allotment of bonus shares and redeemable share warrants				290			290		290
Dividends paid by the Company				-9,175			-9,175		-9,175
Changes in scope								-13	-13
Shareholders' equity as of 6/30/2013	**8,771**	**95,241**		**88,225**	**-8,567**	**-3,593**	**180,078**	**1**	**180,079**
Second half 2013 net income				11,438			11,438		11,438
Treasury shares				75	-24		51		51
Exchange differences				119		-30	89		89
Actuarial gains and losses						-138	-138		-138
Hedging instruments measured at fair value						48	48		48
Allotment of bonus shares and redeemable share warrants				491			491		491
Changes in scope				8			8	-1	7
Shareholders' equity as of 12/31/2013	**8,771**	**95,241**		**100,356**	**-8,591**	**-3,713**	**192,064**		**192,064**
First half 2014 net income				8,803			8,803		8,803
Treasury shares				25	-379		-354		-354
Exchange differences				70		-11	59		59
Actuarial gains and losses						-263	-263		-263
Hedging instruments measured at fair value						-25	-25		-25
Allotment of bonus shares and redeemable share warrants				249			249		249
Dividends paid by the Company				-9,617			-9,617		-9,617
Shareholders' equity as of 6/30/2014	**8,771**	**95,241**		**99,885**	**-8,970**	**-4,012**	**190,915**		**190,915**

All of the information provided herein is expressed in thousands of euros (€000) unless otherwise indicated.

The accompanying notes are an integral part of the first half 2014 consolidated financial statements. These condensed consolidated financial statements were approved by the Board of Directors on July 23, 2014.

1. Highlights of H1 2014

In June 2014, Cegid sold its Hospitality business to SequoiaSoft. SequoiaSoft provides enterprise software to companies in the hospitality and wellness segments of the tourism market.

The Group continued to expand internationally, and in January 2014 created Cegid Software Vostok COOO, a Russian subsidiary fully owned by Cegid Holding BV - Hollande.

2. Compliance statement

The condensed consolidated financial statements for the first half of 2014 have been prepared in accordance with IAS 34 "Interim financial reporting".

Cegid's condensed consolidated financial statements have been prepared in accordance with IFRS (standards and interpretations) applicable in the European Union as of June 30, 2014.

This information and the detailed notes hereafter were prepared on the basis of the new standards and interpretations in force on June 30, 2014 and applicable to fiscal years beginning on January 1, 2014 or later, specifically:

- IFRS 10 "Consolidated Financial Statements",
- IFRS 11 "Joint Arrangements",
- IFRS 12 "Disclosure of interests in other entities",
- Revised version of IAS 27 "Separate financial statements",
- Revised version of IAS 28 "Investments in associates and joint ventures",
- Amendments to IAS 32 "Offsetting financial assets and financial liabilities",
- Amendments to IAS 36 "Recoverable Amount Disclosures for Non-Financial Assets",
- Amendments to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting",
- Amendments for "Transition Guidance", IFRS 10, IFRS 11 and IFRS 12,
- Amendments for "Investment Entities", IFRS 10, IFRS 12 and IAS 27.

Cegid opted against early application of other standards, amendments and IFRIC interpretations whose application was not mandatory as of June 30, 2014. As of that date, the Group was not affected by these texts or did not expect there to be a significant impact on its financial statements in the coming years:

- Amendments to IAS 19 "Employee Benefits",
- Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortisation",
- IFRIC 21 "Levies".

3. Accounting principles and methods

3.1 PRESENTATION OF THE FINANCIAL STATEMENTS

The condensed consolidated financial statements should be read in conjunction with the consolidated financial statements of the fiscal year ended December 31, 2013.

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

The accounting principles and methods applied are identical to those applied to the financial statements for the fiscal year ended December 31, 2013.

The full set of accounting principles is detailed in the consolidated financial statements for the year ended December 31, 2013 and integrated into the 2014 Reference Document filed with the AMF on April 23, 2014 under the number D.14-0392.

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

3.2 VALUATION BASIS

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

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

3.3 USE OF ESTIMATES

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

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

3.4 BUSINESS COMBINATIONS - GOODWILL

The accounting method applied for the recognition of business combinations is detailed in Note 2.1.1 to the 2013 consolidated financial statements.

Goodwill on the balance sheet as of June 30, 2014 is determined and measured in accordance with Note 2.1.2 to the 2013 consolidated financial statements.

Earn-outs related to business combinations are measured at their fair value as of the date of the acquisition. After the acquisition date, they are measured at their fair value as of each closing date. After the end of a one-year period beginning on the acquisition date, any change in this fair value is recognized in the income statement if these earn-outs are financial liabilities. For business combinations prior to December 31, 2009, changes to earn-outs are recognized in goodwill.

The amount of goodwill is finalized within one year of the acquisition date.

3.5 DEPRECIATION AND AMORTIZATION OF NON-CURRENT ASSETS

Depreciation and amortization are calculated on the basis of the assets held by Cegid as of June 30, 2014 according to the methods detailed in Note 2.2 to the 2013 consolidated financial statements.

3.6 IMPAIRMENT TESTS

An impairment test is performed, if necessary, as described in Note 2.3 to the 2013 consolidated financial statements if there is an indication of a loss in value at the end of the first half of the year.

3.7 PENSION OBLIGATIONS

The discount rate used in the calculation of pension commitments as of June 30, 2014 was 2.75%. As of December 31, 2013, the rate was 3%.

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

The components of the calculation of pension obligations as of June 30, 2014 are shown in Note 5.6.

3.8 PROVISIONS

Provisions for contingencies and losses were recognized in full as of June 30, 2014 if the event giving rise to it met the conditions specified in Note 2.15 to the 2013 consolidated financial statements.

3.9 FINANCIAL INSTRUMENTS

Financial instruments consolidated on June 30, 2014, were recognized in accordance with the rules detailed in Note 2.13 to the 2013 consolidated financial statements.

3.10 INCOME TAX

Current tax

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

Deferred taxes

Cegid applied the criteria for capitalizing deferred taxes to tax-loss carryforwards as of June 30, 2014, in accordance with Note 2.6 to the 2013 consolidated financial statements.

4. Cegid Group scope of consolidation

Company	Head office Siren code	Business	Months consolidated	% control 6/30/2014	% ownership 6/30/2014	% ownership 6/30/2013	
Cegid SA	Lyon 410218010	Software development	6	100.00	100.00	100.00	Full
Quadratus SA	Aix-en-Provence 382251684	Software development	6	100.00	100.00	100.00	Full
Cegid Public SA	Cergy 384626578	Software development	6	100.00	100.00	100.00	Full
TDA International SAS	Lyon 342136041	Software development	6	100.00	100.00	100.00	Full
Cemagid SAS	Lyon 4287144299	Software development	6	50.00	50.00	50.00	EQ
21S Ingénierie SA	Lyon 422993428	Software development	6	99.99	99.99	99.99	Full
Cegid Services SARL	Lyon 341097616	Holding company	6	99.89	99.89	99.89	Full
Aspx SARL	Lyon 430048462	Software development	6	100.00	100.00	100.00	Full
Cegid Academy SARL	Lyon 752639955	Training	6	100.00	100.00	100.00	Full
Cegid Corporation	USA New York	Software distribution	6	100.00	100.00	100.00	Full
Cegid Ibérica SL	Spain Madrid	Software distribution	6	100.00	100.00	100.00	Full
Cegid Ltd	United Kingdom Manchester	Software distribution	6	100.00	100.00	100.00	Full
Cegid Italia SRL	Italy Milan	Software distribution	6	100.00	100.00	100.00	Full
Cegid Hong Kong Holdings Limited	Hong Kong	Holding company	6	90.00	90.00	90.00	Full
Cegid Software Ltd	China Shenzhen	Software distribution	6	100.00	100.00	100.00	Full
Cegid Portugal SLU	Portugal Lisbon	Software distribution	6	100.00	100.00	100.00	Full
Cegid Tunisia	Tunisia Tunis	Software development	6	100.00	100.00	100.00	Full
Cegid Mauritius Ltee	Mauritius	Software development	6	99.99	99.99	99.99	Full
Cegid Licenciamento de Sofware LTDA	Brazil Sao Paulo	Software development	6	100.00	100.00	100.00	Full
Cegid Holding BV (1)	Netherlands VD Doorn	Holding company	6	100.00	100.00	0.00	Full
Cegid Software Vostok COOO (2)	Russia Moscow	Software distribution	4	100.00	100.00	0.00	Full

Full: Full consolidation / EQ: Equity-accounted

(1) Entered into the scope of consolidation on January 1, 2014.
(2) Entered into the scope of consolidation on March 1, 2014.

5. Notes to the balance sheet

5.1 CHANGES IN NON-CURRENT ASSETS

5.1.1 Goodwill

As there was no indication of a loss in value as of June 30, 2014, the impairment test described in Note 2.3 to the 2013 consolidated financial statements was not performed. It will be performed as of December 31, 2014.

Changes during the period broke down as follows:

(In €000)	6/30/14	12/31/13	Increases	Decreases	6/30/14
Cegid	169,036	166,612		-2,343	164,269
Quadratus	16,242	16,242			16,242
Cegid Public	9,887	9,887			9,887
TOTAL	**195,165**	**192,741**		**-2,343**	**190,398**

The decrease is a result of the sale of the Hospitality business (see Note 1).

5.1.2 Intangible assets

Changes during the period broke down as follows:

(In €000)	6/30/13	12/31/13	Changes in scope	Reclassifications	Increases	Decreases	6/30/14
Development costs	326,494	341,647			15,749	-6,863	350,533
Concessions, patents	12,109	14,024			420	-90	14,354
Customer relationships and brands (1)	15,560	15,560					15,560
Other intangible assets	482	166		61	51	-31	247
Gross amounts	**354,645**	**371,398**		**61**	**16,220**	**-6,984**	**380,695**
Development costs	-262,523	-276,119			-16,093	5,433	-286,779
Concessions, patents	-7,503	-8,272			-726	62	-8,936
Other intangible assets	-4,864	-5,198			-942		-6,140
Depreciation	**-274,890**	**-289,590**			**-17,761**	**5,495**	**-301,855**
Net intangible assets	**79,755**	**81,808**		**61**	**-1,540**	**-1,489**	**78,840**

(1) See Note 2.1.1 to the 2013 financial statements.

5.1.3 Property, plant & equipment

Changes during the period broke down as follows:

(In €000)	6/30/13	12/31/13	Changes in scope	Reclassifications	Increases	Decreases	6/30/14
Technical facilities, equipment and industrial supplies	12,977	12,208		-61	1,065	-517	12,695
Other property, plant & equipment	9,483	10,265			202	-2,283	8,185
Gross amounts	**22,459**	**22,473**		**-61**	**1,267**	**-2,800**	**20,880**
Technical facilities, equipment and industrial supplies	-11,171	-10,271			-385	471	-10,184
Other property, plant & equipment	-7,188	-7,260			-326	1,920	-5,665
Depreciation	**-18,359**	**-17,530**			**-710**	**2,392**	**-15,848**
Net property, plant & equipment	**4,101**	**4,943**		**-61**	**557**	**-408**	**5,032**

5.1.4 Investments and other financial assets

Changes during the period broke down as follows:

(In €000)	6/30/13	12/31/13	Changes in scope	Increases	Decreases	6/30/14
Equity investments	102	200	-200			
Equity investments and related receivables	792	1,212				1,212
Other non-current investments	182	378				378
Impairment losses	-649	-649		-1	40	-610
Total financial investments [1]	**427**	**1,141**	**-200**	**-1**	**40**	**980**
Deposits and guarantees	551	522		12	-71	463
Loans	1,117	1,258			-51	1,207
Impairment losses on loans, deposits and guarantees	-124	-147				-147
Loans, deposits and guarantees	**1,543**	**1,632**		**12**	**-122**	**1,522**
Other financial assets	**433**	**367**		**309**	**-341**	**336**
Net non-current financial assets	**2,403**	**3,140**	**-200**	**320**	**-423**	**2,838**

[1] Financial investments broke down as follows:

(In €000)	6/30/14	12/31/13	6/30/13
Equity investments		200	102
Financial assets measured at fair value	1,212	1,212	792
Impairment losses	-610	-649	-646
TOTAL	**602**	**763**	**248**
Other investments	380	380	182
Impairment losses	-2	-2	-2
Other non-current investments	**378**	**378**	**180**
Total financial investments	**980**	**1,141**	**427**

5.1.5 Equity-accounted subsidiaries

(In €000)	6/30/14	12/31/13	6/30/13
Opening balance	15	-454	-454
Reclassification of goodwill [1]		920	
Reduction in earn-out		-267	
Capital increase	1,470		
Share in net income of equity-accounted subsidiaries	-513	-185	-103
Closing balance	**972**	**15**	**-557**

[1] See Note 4.1.6 to the 2013 financial statements.

5.2 CHANGES IN CURRENT ASSETS

5.2.1 Changes related to impairment of current assets

(In €000)	6/30/13	12/31/13	Changes in scope	Increases	Decreases	6/30/14
Inventories and work-in-progress	9	10		1		11
Trade receivables and similar accounts	10,749	10,868		3,026	-2,549	11,345
Other receivables	44	44				44
TOTAL	**10,801**	**10,921**		**3,027**	**-2,549**	**11,399**

5.2.2 Cash and cash equivalents

(In €000)	6/30/14	12/31/13	6/30/13
Cash	13,499	5,883	2,182
TOTAL	**13,499**	**5,883**	**2,182**

5.3 FINANCIAL INSTRUMENTS

5.3.1 Fair value of financial instruments

In accordance with the requirements of IFRS 7, paragraph 27B, the tables below present the three methods used to determine the fair value of financial instruments:

- Method 1: fair value based on published price quotations in active markets,
- Method 2: fair value based on price quotations on observable markets,
- Method 3: fair value based on unobservable markets.

Financial assets (in €000) as of 6/30/2014	Carrying value	Method
Financial assets measured at fair value	602	1
Other non-current financial assets	382	3
Cash equivalents		1
Cash	13,499	1
Financial assets measured at fair value	**14,483**	
Financial liabilities (in €000) as of 6/30/2014	**Carrying value**	**Method**
Acquisition-related debt	290	2
Financial liabilities measured at fair value	**290**	

Financial assets (in €000) as of 12/31/2013	Carrying value	Method
Financial assets measured at fair value	563	1
Other non-current financial assets	578	3
Cash equivalents		1
Cash	5,883	1
Financial assets measured at fair value	**7,024**	
Financial liabilities (in €000) as of 12/31/2013	**Carrying value**	**Method**
Acquisition-related debt	670	2
Financial liabilities measured at fair value	**670**	

Financial assets (in €000) as of 6/30/2013	Carrying value	Method
Financial assets measured at fair value	247	1
Other non-current financial assets	321	3
Cash equivalents		1
Cash	2,182	1
Financial assets measured at fair value	**2,750**	
Financial liabilities (in €000) as of 6/30/2013	**Carrying value**	**Method**
Acquisition-related debt	3,987	2
Financial liabilities measured at fair value	**3,987**	

(In €000) as of 6/30/2014	Carrying value	Financial assets at fair value through profit or loss	Available-for-sale assets	Loans and receivables
Financial assets measured at fair value	601		601	
Other non-current financial assets	714		382	332
Loans	1,204			1,204
Deposits and guarantees	316			316
Trade accounts receivable	63,872			63,872
Other short-term receivables	6,540			6,540
Cash	13,499	13,499		
Financial assets	**86,746**	**13,499**	**983**	**72,264**

(In €000) as of 6/30/2014	Carrying value	Financial liabilities at fair value through profit or loss	Debt at amortized cost	Other liabilities	Derivative instruments
Medium-term line of credit	64,986		64,643		343
Acquisition-related debt	290			290	
Trade payables	19,897			19,897	
Other current liabilities	48,159			48,159	
Current financial liabilities	820			820	
Financial liabilities	**134,152**		**64,643**	**69,166**	**343**

(In €000) as of 12/31/2013	Carrying value	Financial assets at fair value through profit or loss	Available-for-sale assets	Loans and receivables
Investments in unconsolidated companies	200		200	
Financial assets measured at fair value	563		563	
Other non-current financial assets	745		381	364
Loans	1,258			1,258
Deposits and guarantees	374			374
Other non-current receivables	1,289			1,289
Trade accounts receivable	63,159			63,159
Other short-term receivables	6,318			6,318
Cash	5,883	5,883		
Financial assets	**79,789**	**5,883**	**1,144**	**72,762**

(In €000) as of 12/31/2013	Carrying value	Financial liabilities at fair value through profit or loss	Debt at amortized cost	Other liabilities	Derivative instruments
Medium-term line of credit	59,870		59,565		305
Acquisition-related debt	670			670	
Trade payables	21,843			21,843	
Other current liabilities	54,996			54,996	
Current financial liabilities	693	693			
Financial liabilities	**138,072**	**693**	**59,565**	**77,509**	**305**

(In €000) as of 6/30/2013	Carrying value	Financial assets at fair value through profit or loss	Available-for-sale assets	Loans and receivables	
Investments in unconsolidated companies	102		102		
Financial assets measured at fair value	145		145		
Other non-current financial assets	609		321	288	
Loans	1,116			1,116	
Deposits and guarantees	431			431	
Other non-current receivables	2,771			2,771	
Trade accounts receivable	64,382			64,382	
Other short-term receivables	8,297			8,297	
Cash	2,182	2,182			
Financial assets	**80,035**	**2,182**	**568**	**77,285**	
(In €000) as of 6/30/2013	**Carrying value**	**Financial liabilities at fair value through profit or loss**	**Debt at amortized cost**	**Other liabilities**	**Derivative instruments**
Medium-term line of credit	67,843		67,508		335
Acquisition-related debt	3,987			3,987	
Trade payables	20,752			20,752	
Other current liabilities	47,518			47,518	
Current financial liabilities	828			828	
Financial liabilities	**140,928**		**67,508**	**73,085**	**335**

5.4 OTHER CHANGES

Breakdown of deferred tax assets and liabilities

(In €000)	12/31/13	Other changes	Impact on earnings	6/30/14
Deferred tax assets	2,146			2,146
Deferred tax liabilities	5,165	-13	-1,620	3,532

As of June 30, 2014, unrecognized deferred tax assets represented tax-loss carryforwards of foreign companies and totaled €3,428 thousand (€3,094 thousand as of December 31, 2013).

5.5 NOTES TO SHAREHOLDERS' EQUITY

5.5.1 Changes in share capital

	Number of shares	Par value (in €)	Share capital (in €)	Share premium (in €)
As of 12/31/2011	9,233,057	0.95	8,771,404	95,241,125
As of 12/31/2012	9,233,057	0.95	8,771,404	95,241,125
As of 12/31/2013	9,233,057	0.95	8,771,404	95,241,125
As of 6/30/2014	**9,233,057**	**0.95**	**8,771,404**	**95,241,125**

5.5.2 Earnings per share

	6/30/2014	12/31/2013	6/30/2013
Number of shares at end of period	9,233,057	9,233,057	9,233,057
Average number of shares during the period	8,742,897	8,736,948	8,734,343
Number of shares held in treasury at end of period	501,453	491,374	499,533
Consolidated net income			
Net income attributable to parent company shareholders (in €M)	8.80	18.77	7.34
Earnings per share attributable to parent company shareholders (in €) [1]	1.01	2.15	0.84
Fully diluted earnings per share attributable to parent company shareholders (in €) [2]	1.01	2.15	0.84

[1] Based on the average number of shares (excl. treasury shares).

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

5.6 PROVISIONS

5.6.1 Non-current provisions for pension obligations and employee benefits

Provisions for pension obligations and employee benefits (in €000)	6/30/14	12/31/13	6/30/13
Present value of commitments at start of period	14,020	13,103	13,103
Changes in scope			
Financial costs	202	390	195
Current service costs	385	747	374
Amortization of unrecognized past service costs			
Benefits paid during the period - long service awards	-63	-220	-116
Projected present value of commitments at end of period	14,545	14,020	13,556
Actuarial gains and losses/experience adjustments	-176		-213
Actuarial gains and losses/changes in assumptions	455		
Impact of IAS 19 amendment			
Projected present value of commitments at end of period	**14,824**	**14,020**	**13,343**

5.6.2 Current provisions

(In €000)	6/30/13	12/31/13	Increases	Used decreases	Unused decreases	6/30/14
Labor disputes	2,447	2,910	266	-358	-141	2,677
Customer disputes	2,754	1,887	623	-297	-339	1,874
Reorganization plans	364	364			-364	
Other	860	763	1,378	-15	-72	2,054
TOTAL	**6,424**	**5,923**	**2,267**	**-670**	**-916**	**6,605**

5.7 BREAKDOWN OF LIABILITIES BY MATURITY

(In €000)	6/30/14	1 year or less	1 to 5 years	more than 5 years
Financial debt	65,806	820	64,986	
Trade payables	19,897	19,897		
Tax and social security liabilities	42,988			
Payables related to acquired property, plant & equipment	1,391	1,391		
Other liabilities and unearned revenue	24,620	24,620		
TOTAL	**154,702**	**46,728**	**64,986**	

(In €000)	12/31/13	1 year or less	1 to 5 years	more than 5 years
Financial debt	60,563	693	59,870	
Trade payables	21,843	21,843		
Tax and social security liabilities	47,737	47,737		
Payables related to acquired property, plant & equipment	3,621	3,345	276	
Other liabilities and unearned revenue	14,426	14,426		
TOTAL	**148,190**	**88,044**	**60,146**	

(In €000)	6/30/13	1 year or less	1 to 5 years	more than 5 years
Financial debt	68,671	828	67,843	
Trade payables	20,752	20,752		
Tax and social security liabilities	41,346	41,346		
Payables related to acquired property, plant & equipment	4,837	4,597	240	
Other liabilities and unearned revenue	23,735	23,735		
TOTAL	**159,341**	**91,258**	**68,083**	

6. Notes to the income statement

6.1 BREAKDOWN OF SALES

6.1.1 By type of business

(In €000)	First half 2014	First half 2013	2013
SaaS	22,852	18,113	38,024
Licenses	15,583	15,932	33,690
Maintenance	50,488	50,530	101,170
Other	2,272	2,087	5,143
Total Software and software-related services (SSRS)	**91,195**	**86,662**	**178,027**
Professional services	28,191	28,855	55,603
Total SSRS and professional services	**119,386**	**115,517**	**233,630**
Hardware distribution and other	11,326	13,198	26,303
TOTAL	**130,712**	**128,715**	**259,933**

6.1.2 By customer market segment

(In €000)	First half 2014	First half 2013	2013
Accounting profession and small companies	50,751	48,023	100,045
Mid-market and groups	33,284	33,305	67,067
Vertical markets	36,926	37,964	73,362
Public sector	8,520	8,198	16,778
Miscellaneous	1,231	1,225	2,681
TOTAL	**130,712**	**128,715**	**259,933**

6.2 OTHER OPERATING INCOME AND EXPENSES

(In €000)	First half 2014	First half 2013	2013
Impact of reorganization plans	364		
Impact of earn-outs		185	209
Sale of businesses	6,310	323	204
Other operating income	**6,674**	**508**	**413**
Impact of site consolidation	-1,596		
Impact of earn-outs		-119	-119
Sale of businesses	-4,238	-593	-670
Other operating expense	**-5,834**	**-712**	**-789**

"Sale of businesses" relates to the sale of the Hospitality business (see Note 1).

6.3 NET FINANCIAL EXPENSE

(In €000)	First half 2014	First half 2013	2013
Financial income from equity investments	8	8	15
Income from investments	36	5	6
Income related to discounting		19	32
Write-back of financial provisions	223	13	
Other financial income	51	83	269
Financial income	**318**	**128**	**322**
Interest expense on loans and other borrowings	-778	-580	-1,397
Expense related to discounting		-46	-46
Financial provisions	-236	-257	-919
Other financial expense	-76	-53	-170
Financial expense	**-1,090**	**-936**	**-2,532**
Net financial expense	**-772**	**-808**	**-2,210**

6.4 TAXES

6.4.1 Breakdown of tax expense

(In €000)	First half 2014	First half 2013	2013
Current tax	-7,070	-3,983	-11,119
Deferred tax	1,479	-154	1,320
TOTAL	**-5,591**	**-4,137**	**-9,800**

6.4.2 Tax reconciliation

(In €000)	First half 2014	%	First half 2013	%	2013	%
Pre-tax income	14,907		11,575		28,758	
Theoretical tax	-5,132	34.43%	-3,985	34.43%	-9,901	34.43%
Effect of permanent differences	-90	0.60%	-210	1.81%	-302	1.05%
Losses of foreign subsidiaries	-250	1.68%	-130	1.12%	-241	0.84%
Tax credits	448	-3.01%	316	-2.73%	154	-0.54%
Rate effects and miscellaneous	-567	3.80%	-128	1.11%	490	-1.70%
Income tax	**-5,591**	**37.51%**	**-4,137**	**35.74%**	**-9,800**	**34.08%**

7. Notes on off-balance-sheet commitments

7.1 COMMITMENTS RECEIVED

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

(In €000)	1 year or less	1 to 5 years	more than 5 years
Commitments subject to limitations received as asset and liability guarantees	850	1,950	
Guarantees received as part of company acquisitions	150	100	

7.1.2 Bank lines of credit

Credit lines in €M until	6/30/14	6/30/15	6/30/16	6/30/17
Drawdown authorizations on 2010 line of credit	200	170	140	100
Of which utilized as of 6/30/14	*65*			

As of June 30, 2014, Cegid had a syndicated line of credit totaling €200 million, of which €135 million was available. This line will reduce to €170 million on July 1, 2014, to €140 million on July 1, 2015 and to €100 million on July 1, 2016, available until June 30, 2017.

7.2 COMMITMENTS GIVEN

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

7.2.1 Guarantees relating to the Cegid foundation

(In €000)	1 year or less	1 to 5 years	more than 5 years
Guarantees relating to Cegid foundation	135	540	

Cegid took on bank guarantees in the context of the creation of the foundation at the end of 2013.

7.2.2 Commitments given in connection with bank lines of credit

The loan agreement (see Note 7.1.2) includes the customary covenants and clauses regarding accelerated maturity, specifically:

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

Cegid must also adhere to the following covenants:

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

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

As of June 30, 2014, drawdowns under the syndicated lines of credit totaled €65 million.

8. Related party disclosures

TRANSACTIONS WITH ICMI

Details of the relationship between Cegid Group and ICMI (52 quai Paul Sédallian, 69009 Lyon) and its subsidiaries and principal executives, as well as with Groupama (8-10 rue d'Astorg, 75008 Paris) and its subsidiaries during the first half of 2014 were as follows:

(In €000)	First half 2014	First half 2013	2013
Operating receivables (gross)	82	220	154
Operating liabilities	1,270	613	648
(In €000)	**First half 2014**	**First half 2013**	**2013**
Executive Management fees	-1,589	-1,522	-3,176
Other external expenses	-499	-26	-537
Operating expenses	**-2,088**	**-1,548**	**-3,714**
Overheads	113	232	481
Operating revenue	**113**	**232**	**481**

9. Events subsequent to June 30, 2014

Since July 1, 2014, no events have taken place that might have a significant impact on Cegid's assets, liabilities or financial condition.

To the shareholders,

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

- conducted a limited examination of the accompanying condensed consolidated financial statements for Cegid Group SA, covering the six-month period from January 1 to June 30, 2014;
- verified the information disclosed in the management report on the first half of the year.

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

I. CONCLUSION REGARDING THE FINANCIAL STATEMENTS

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

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

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

II. SPECIFIC VERIFICATION

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

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

Lyon and Villeurbanne, July 24, 2014
The Statutory Auditors

MAZARS

Christine Dubus

GRANT THORNTON
French member of Grant Thornton International
Thierry Chautant

Management certification

We hereby certify that to the best of our knowledge, the condensed first half 2014 consolidated financial statements were prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial condition and earnings of the companies in Cegid's scope of consolidation, and that the first half management report presents a true and fair view of the important events that took place during the first six months of the fiscal year and of their impact on the first half financial statements, of the principal risks and uncertainties for the remaining six months of the year and of the principal transactions between related parties.

Jean-Michel Aulas
Chairman of the Board of Directors

Patrick Bertrand
Chief Executive Officer

General information

Fiscal year: January 1 to December 31

ISIN code: FR 0000124703

Reuters: CEGI.PA

Bloomberg: CGD FP

Number of shares as of June 30, 2014: 9,233,057

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

Cegid Group is included in the CAC All Shares, CAC All-Tradable, CAC Mid & Small, CAC Small, CAC Soft. & C.S., CAC Technology and NEXT 150 indices

SHAREHOLDERS AS OF JUNE 30, 2014

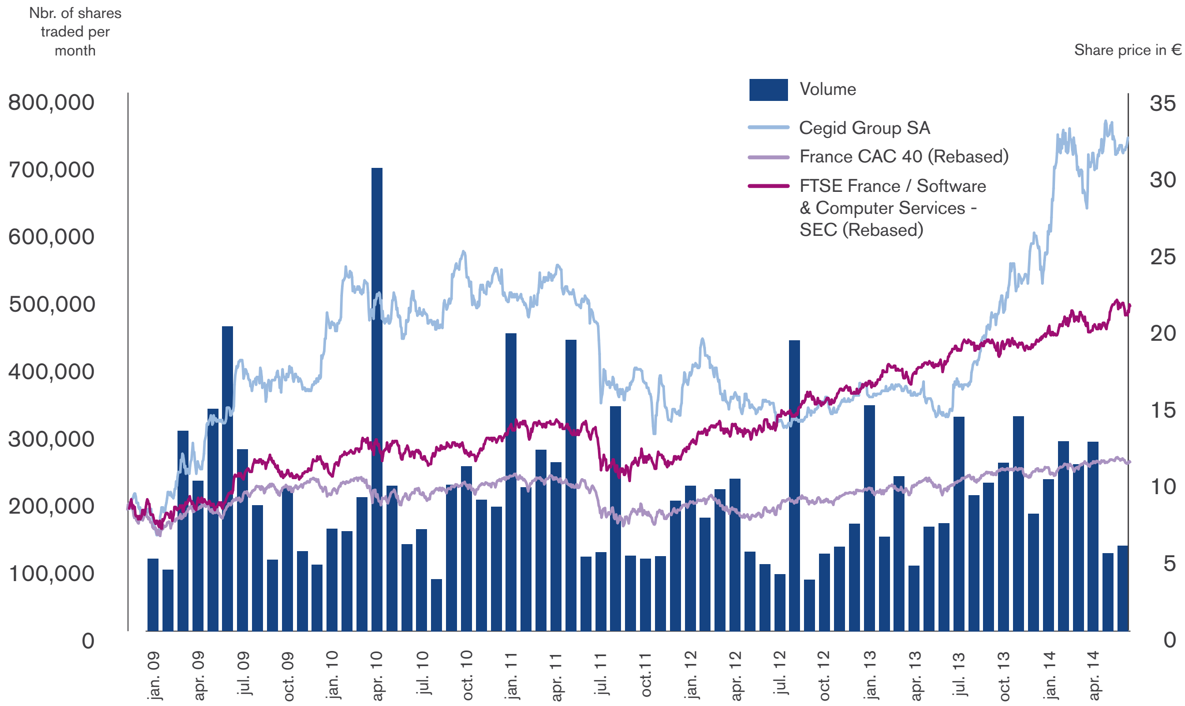
Share capital as of June 30	Number of shares	% of shares	% of voting rights
Groupama group	2,482,531	26.89	25.02
ICMI [(1)]	927,604	10.05	18.70
Executive Board (excl. ICMI) [(2)]	96,413	1.04	1.62
Treasury shares	501,453	5.43	NA
Eximium [(3)]	464,405	5.03	4.68
Free float	4,760,651	51.56	49.98
TOTAL	**9,233,057**	**100**	**100**

[(1)] As of June 30, 2014, Jean-Michel Aulas held 99.95% of the shares of ICMI, representing 99.96% of the voting rights.

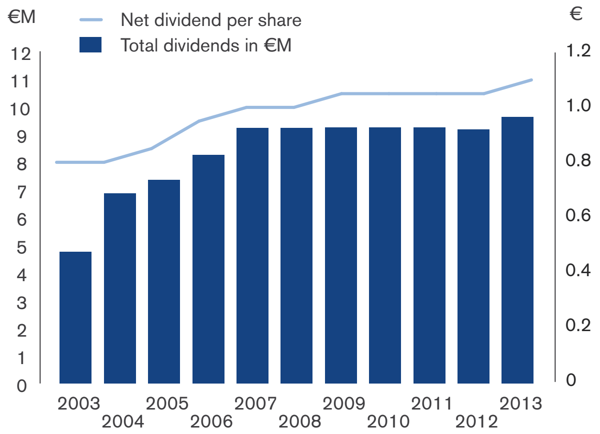
[(2)] The Chairman, Chief Executive Officer and members of the Board of Directors are considered members of the Executive Board. Nevertheless, the percentage ownership of ICMI is listed separately in the table.

[(3)] On the basis of information received from Eximium on April 11, 2014.

CEGID GROUP SHARE PRICE AND TRADING VOLUME



CEGID'S DYNAMIC DIVIDEND POLICY



Following the decision of shareholders at their May 12, 2014 Ordinary Meeting, Cegid distributed a dividend of €1.10 per share on 2013 earnings on May 19, 2014.

COVERAGE OF CEGID GROUP

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

- CM CIC Securities: Charles-Edouard Boissy
- Gilbert Dupont: Geoffroy Peirrera
- Micap Partners: Gilbert Ferrand

CALENDAR

- October 9, 2014: 3rd quarter 2014 sales*
- January 22, 2015: 4th quarter 2014 sales*

* after the market close.

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