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YOU WANT TO CONQUER THE WORLD.
SO DO WE.

**First Half 2010
Financial Report**



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1. SALES AND NET INCOME IN THE FIRST HALF OF 2010

Consolidated income statement

in € million	H1 2010	H1 2009	% change
Sales	120.0	120.4	-0.3%
Gross profit	105.0	106.0	-0.9%
Gross margin	87.5%	88.0%	-0.5%
EBITDA	26.7	25.3	5.5%
Income from ordinary activities before depreciation & amortization of identified assets	9.7	8.9	9.2%
Income from ordinary activities	9.4	8.6	9.3%
Operating income	11.6	6.6	77.5%
Net financial expense	-0.6	-1.6	64.2%
Pre-tax income	11.1	5.0	121.8%
Income tax	3.9	0.2	–
Net income (Group share)	7.0	4.8	45.3%
Net cash from operating activities	16.8	27.6	-39.0%

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

After a first quarter marked by a difficult economic climate and an unfavorable base of comparison, sales improved significantly from April onward with a steady inflow of orders, boosting «Licenses and Integration services» sales by 11%.

In H1 2010, consolidated sales (€120.0M) reached a level comparable to that of H1 2009 (€120.4M), after taking into account the continued decline in sales of €1.3M (down 15%) in «Hardware and Installations», an activity of lesser strategic importance.

Revenue from «Licenses and Integration services» was stable in H1 2010 compared to the previous year. Revenue from «Licenses» posted strong growth, offsetting the decline in sales of Integration services (training, deployment and consulting).

This trend in the Services business partly reflected Cegid's strategy, which aims both to deepen the expertise of its consultants in Cegid's functional areas, and to draw on its network of resellers and partner-integrators to deploy its products, thereby strengthening its ecosystem.

The increase in sales of licenses was particularly noticeable in Finance-Taxation, and Services-Wholesaling ERP and Retail.

Recurrent revenue increased by more than 4% in the second quarter and accounted for 51% of overall revenue in the first half, giving the Group better revenue visibility from its product mix. As of June 30, 2010, the annual value of the recurrent contracts portfolio amounted to €122 million (€121 million as of June 30, 2009).

Recurrent SaaS (Software as a Service) revenue advanced by 22% to €6.5 million during the second quarter (sales increased 19% in H1 2010 compared to the year-earlier period), outperforming market trends (projected 16% increase in SaaS sales in 2010 – source: Gartner, June 2010).

Cegid signed new contracts with companies that play a significant role in their respective sectors: Retail (Eram in France, Les Lolitas and Modus in Italy, Siebel in the Netherlands, Sport Plus in Morocco, Berden and Asics in the UK); Manufacturing (Apegelec, Cornilleau, Interseed and Resinence); CPAs (independents: Cabinet Premier Monde, GVA, SEAC, SOGEX; associations: CER Aube and CER Haute Marne, CER Nord Est Ile de France and CER Somme; accredited body: AGCS), the Public sector (APCM - the French network of chambers of professional trades), Hospitality (Société Thermale de La Roche Posay) Payroll/HR (Aoste) and Taxation in «On Demand» mode (AFIPAEIM).

After accounting for purchases of outsourced activities, the gross margin reached 87.5% of sales in H1 2010 (88% in H1 2009). This coupled with a tight control of operating costs enabled the Group to achieve EBITDA of €26.7 million, nearly 6% higher than that posted in the year-earlier period (€25.3 million).

The average monthly breakeven in the first half of 2010 was around €18.2 million, which was lower than in H1 2009 (€18.4 million).

After depreciation and amortization related to development costs and identified assets deriving from acquisitions (up €0.8 million compared with H1 2009), income from ordinary activities rose by more than 9% to €9.4 million (compared to €8.6 million in H1 2009).

Operating income (€11.6 million) included a €2 million reversal of a provision for risks recognized in 2008 as part of a business combination, and rose sharply compared to H1 2009, which included €2.0 million in operating expenses and provisions.

Net financial expense improved significantly (€0.6 million vs. €1.6 million in H1 2009), due to lower average indebtedness, declining interest rates and the IFRS restatement of the OBSAR bonds, which were repaid in March 2009.

Tax expense of €3.9 million is not comparable to that of H1 2009, as during that period, the Group benefited from tax savings arising from the merger of foreign subsidiaries.

Consolidated net income for the first half of 2010 was thus €7.0 million, up 45% compared to H1 2009.

An increase in cash flow generated by the business (up 8.6% to €25 million) reaffirmed the robustness of Cegid's business model.

Working capital requirement increased due to an upturn in new business at the end of the first half of 2010, the unfavorable base of comparison resulting from a significant reduction in DSO in H1 2009 and corporate tax payments (€5.6 million in H1 2010). Net cash from operating activities in the first half stood at €16.8 million vs. €276 million in H1 2009.

Gearing, the ratio of net debt (€72.5 million at June 30, 2010) to consolidated shareholders' equity (€161.6 million at June 30, 2010), stood at 44.9% at June 30, 2010, down from 52.6% at June 30, 2009.

Cegid Group

Cegid Group is a holding company. Its revenues, composed essentially of royalties received from subsidiaries, totaled €2.2 million. Its operating income was at breakeven and its net income was €11.2 million. It included dividends received from subsidiaries Cegid SA (€6.0 million) and Quadratus SA (€4.8 million).

2. HIGHLIGHTS OF THE FIRST HALF OF 2010

2.1 Changes in shareholdings – Changes to the Board of Directors

• ICMI purchases half of the ownership interest in Cegid Group held by Apax Partners

In April 2010, ICMI, a company controlled by Jean-Michel Aulas, purchased half of the ownership interest in Cegid Group held by Apax Partners SA, i.e. 498,466 shares representing 5.40% of the Company's share capital. By selling 50% of its holding, Apax Partners SA, acting on behalf of the Apax and Altamir Amboise funds, reduced its stake in Cegid Group to 5.38% of share capital and 6% of voting rights at shareholders' meetings, compared to 10.78% of share capital and 11.92% of voting rights previously.

Apax has accompanied Cegid's development since 2004, when Cegid and Ccmx merged. Apax had been the majority shareholder in Ccmx since 1999.

ICMI has thus increased its holding so as to continue accompanying Cegid Group as it grows. ICMI's holding has increased from 4.60% to 10% of the shares and from 8.83% to 14.12% of the voting rights of Cegid Group.

ICMI also has a right of first refusal on the rest of the Cegid Group shares held by Apax for a maximum of 18 months, subject to certain conditions, in particular relating to Cegid Group's share price.

• Changes to the Board of Directors

At the Shareholders' Meeting on May 6, 2010, Apax Partners announced that it did not wish to renew its appointment as a member of the Cegid Group Board of Directors.

No new appointment has been made as of the date of this report, the position remains vacant.

Furthermore, Benoît Maes (Gan) informed the Board of Directors of his decision to resign from the Board due to internal reorganization within Groupama/Gan.

At its meeting of May 6, 2010, the Board of Directors appointed Thierry Martel in the capacity as a director, to replace Benoît Maes.

Thierry Martel is a graduate of the Ecole Polytechnique and the Institut des Sciences Politiques in Paris. He joined the International division at Groupama in December 1990. On January 1, 2010, he assumed the position of Managing Director, Insurance and Banking France at Groupama.

Starting on May 6, 2010, Cegid Group's Board of Directors was composed of ten directors.

2.2 Business

• Business development continues abroad

Cegid continued to expand internationally. It aims to deploy a homogeneous solution in the world's principal business regions (North & South America/Europe/Asia/Oceania) for the Retail sectors.

To this end, Cegid opened a new office in Shanghai, complementing its existing presence in New York, Barcelona, Madrid, Milan, London, Porto, Casablanca, Hong Kong and Shenzhen.

Cegid continued to develop its ecosystem by signing agreements with local and international companies specialized in the integration, consulting and implementation of IT systems in the retailing and textile industries in the United States (BO Technology), Europe (LEC) and Japan (AKB). Furthermore, through its partnership with Tectura, Cegid has won new customers in Japan and Hong Kong.

• Cegid launches Yourcegid, the new brand identity for its product suites

In an effort to emphasize Cegid's sectoral specialization, we have brought all of the Group's solutions together under a single «Yourcegid» banner, thus demonstrating our commitments to our customers.

Yourcegid was unveiled at a preview during the Manufacturing User Club meeting in March and at the Retail Forum in April. Cegid will gradually integrate all its solutions into the new banner, thus enabling customers to put together the unique «Yourcegid» solution that responds to the issues they face, and to call upon all of Cegid's expertise as dictated by their needs.

The Yourcegid brand embodies the Group's commitments:

- Industry expertise using customer feedback to develop products that address industry needs,
- the quality of the products and services provided by Cegid and its partners,
- Innovation, by turning technological innovation into an advantage for our customers in their day-to-day work,
- Partnerships and the development of an ecosystem of customers, resellers, integrators, partners, developers and suppliers of applications which complement Cegid's range of products and services,
- Human Resources, attentive to the needs of our customers and partners, and conscious of good employer practices in order to attract the best human talent.

The Yourcegid brand will leverage Cegid's innovative nature and extended reach, reaffirming our ambition to offer all types of companies modern management solutions adapted to their needs and that seamlessly integrate into existing information systems.

• Cegid has created a new division, «Entrepreneurs & Associations», serving small organizations, and will provide «Yourcegid Entrepreneurs» and «Yourcegid Associations» product suites.

Cegid is strengthening its presence in this market by creating a dedicated division called «Entrepreneurs & Associations». The division's purpose is to increase the availability of on-line services and applications which are already used by more than 10,000 entrepreneurs alongside their accountants.

The «Yourcegid Entrepreneurs» and «Yourcegid Associations» suites offer sales management, estimates-invoicing, receipts and accounting modules that are not only rich in functionality, comprehensive and industry-oriented, but also 100% SaaS-mode enabled. Through multi-channel distribution, the division will address artisan contractors, store-owners, independent professionals and associations in the most appropriate, customized manner possible.

45 employees work in the division, occupying roles in software development, customer hotline and web assistance. The division will focus on the following avenues of growth:

- Offering a complete solution for quoting-invoicing, sales management, receipts and accounting, associated with web services;
- Diversifying distribution channels by recruiting a network of resellers who will use online communication tools dedicated to their customers, by opening an on-line store selling Cegid solutions, by providing managers, entrepreneurs, and creators / owner-executives of small companies access to the Comptanoo.fr portal (a joint venture with Groupama-Gan), and by focusing efforts on government offices and agencies so as to develop partnerships leading to bundles, co-branding and other forms of promotion;
- Initiating new partnerships that will enrich the product range and open the door to offering comprehensive, functional service packs, such as in e-commerce;
- Solidifying Cegid's long-standing relationship with CPAs who recommend Cegid products and are uniquely placed to reach entrepreneurs and managers of small companies.

• Cegid inaugurates the store of the future: The Cegid Innovation Store

On June 29, 2010 in Lyon, in the presence of its partners and more than 100 specialist retail chains, Cegid inaugurated the Cegid Innovation Store, located in the lobby of Cegid's head office in Lyon.

The Cegid Innovation Store was created by Cegid and its technology partners to demonstrate, under one roof, all the latest technologies available to retail outlets. RFID, multi-touch technology, interactive store windows, contactless payments and mobility are just some of the innovations that are already available in the Cegid Innovation Store. The solutions provide the means to increase productivity, boost competitiveness and improve customer retention (from analyzing consumer behavior at the store window to speeding up the decision to purchase.).

One of the Cegid Innovation Store's many features is an interactive table designed to encourage sales. An infrared camera identifies any articles placed on the table, prompting information on the article to be displayed, including a demonstration of the product and suggestions of related products. Other features include smart shelves, which use RFID technology to boost sales. Outside the store, an interactive display window offers customers an entertaining, captivating, multi-touch experience, tempting them to discover the products right from the street. These interactive windows, a winning business formula, are already used by the international fashion group Façonnable. They are installed on existing windows and interact with Yourcegid solutions, providing a new marketing and sales channel available around the clock.

2.3 Acquisition

• Acquisition of Vedior Front RH: Cegid steps up its positioning in the Payroll/HR market.

With the acquisition of Vedior Front RH in June 2010, Cegid gave tangible expression to its plans to step up growth in this market and offer new HR services to assist corporate human resource departments, whose profession is undergoing profound change.

Cegid is already one of the top five French provider/hosts (source: PAC 2009), with an installed base of nearly 19,000 client companies using a Payroll/HR system and generating more than four million payslips every month for companies in both the private and public sectors (the latter through Civitas). This acquisition strengthens our position in HR solutions delivered in SaaS (Software as a Service) mode, which accounts for more than 200,000 payslips per month.

Vedior Front RH was established in 2006 and had revenues of €1.4 million in 2009, 50% of which came from recurrent contracts. Upon acquisition, the company became Cegid Front RH and the company's 19 employees were integrated into Cegid's Payroll/HR Business Unit and now contribute their industry expertise thereto.

This acquisition will expand Cegid's current product range with time management, resource planning and talent management solutions. It will also speed up development of a Business Process Outsourcing solution for Cegid Front RH customers, which Cegid plans to bring to market by leveraging its infrastructure and expertise in hosting (SaaS, On Demand, Cloud Computing).

2.2 Cegid strengthens its ecosystem

• Cegid / Groupama-Gan Assurances industry agreement: significant progress in new portals

In the first half of 2010 Cegid and Groupama-Gan Assurances launched a new portal for the accounting profession, «Wexperandyou». This portal complements the decision-support tool «Owner-executive status» and the alert service informing of changes in collective bargaining agreements—two solutions intended to help CPAs better advise their customer base of entrepreneurs.

The portal includes a set of tools that were developed under this strategic agreement. Recent additions include: «Calculation of retirement bonuses» and «Optimization of owner-executive's compensation». These tools automatically retrieve accounting data and corporate structure information that CPAs have in their production software, thereby increasing efficiency and security, and saving time.

The solutions are part of a strategy aimed at enabling CPAs to use these data detect and develop complementary, high value-added assignments. In the Wexperandyou portal, an additional e-learning module is available, with relevant accounting information, news and a discussion forum.

In October 2010, «Professional Reminders», a new tool designed for CPAs will be integrated into the solution. CPAs will be able to use this tool to perform personalized assessments for their corporate customers.

At the same time, the joint venture created by Groupama and Cegid to develop interactive solutions for companies, associations and their professional advisors, launched a new portal, «monassociation.info», intended for associations. This portal will accompany «Wexperandyou» and «Comptanoo», the portal aimed at small companies. Another new portal, specifically designed for local authorities and the public sector as a whole, will soon be released. The joint venture also holds the intellectual property rights associated with the products and services deriving from the strategic agreements.

These portals will make a full range of content and practical tools available, thereby fostering the exchange of information and promoting the products and services of Cegid and Groupama - Gan Assurances.

At the end of 2008, synergies between the sales teams of Cegid and Gan Assurances started to materialize with joint efforts vis-à-vis CPAs and encouragement for Gan Assurances insurance agents to recommend IT solutions to their small company clients. These initiatives have gathered pace in 2010 and express themselves through new products and services.

• Cegid and Kyriba enter a strategic partnership to distribute Cegid Trésor On Demand

In the second quarter, Cegid and Kyriba announced that they had signed an agreement under which Kyriba will sell Cegid's Trésor On Demand solution. Kyriba was founded in 2000 and is the market leader in on-demand cash management application services via the internet with some 7,000 users representing more than 230 customer groups. It is present in San Diego, New York, Paris, Milan, Hong Kong and Rio de Janeiro. The agreement will enable the two companies to address companies' growing needs for cash management services and the changes in bank communication standards.

Optimized to provide a full response to the needs of Cegid's customers and prospects, the Cegid Trésor On Demand is available in SaaS mode and covers the full range of cash, financing, investment and payment management, as well as ledger reconciliation. It also imports forecasts from Cegid's accounting solutions or from other accounting programs.

This partnership is right in line with Cegid's strategy to offer a package of services around its solutions. It will draw on the growing SaaS trend and evolving bank communications standards and help Cegid in its efforts to develop an ecosystem around its products and services.

- its established expertise in SaaS (On Demand) solutions and portals, with consistent growth in sales (of around 20% in the first half of 2010),
- its new products and services for the agricultural sector, both insourced and in On Demand mode,
- a growing presence abroad, particularly in the Retail sector, where Cegid is now an international partner both for leading international chains and local stores. Cegid has a direct presence in the United States, China and the principal European countries and also works with numerous local partners,
- an installed base of 80,000 customers that generate annual recurrent revenue in excess of €120 million, or over 50% of total sales. This installed base also represents significant potential for sales of complementary products and migration to new Cegid solutions and leads to very low customer concentration;
- successful experience in acquisitions and in integrating acquired companies into the Group.

In this way, Cegid is poised to demonstrate its ability to generate a favorable level of operating profitability and to take advantage of economic recovery in the years to come.

3. EVENTS SINCE JULY 1, 2010

Since July 1, 2010, no events have taken place that might have a significant impact on Cegid's assets, liabilities or financial condition.

4. APPROVAL OF PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

Cegid's parent only and consolidated financial statements for the first half of 2010 were approved by the Board of Directors on July 21, 2010.

5. OUTLOOK

Although the economic environment lacks short-term visibility, in particular in Europe, Cegid remains confident in the ability of end markets to bounce back starting from 2011, when companies should continue to invest in information systems, which provide the best way of increasing productivity and performance.

Cegid is well-placed to take advantage of improvements in the economic climate owing to:

- its positioning as a specialized developer with a strong foothold in its areas of expertise: ERP, Finance and Taxation, Human Resources, Retail, Manufacturing, Hospitality, Services-Wholesaling, Cleaning services, CPAs and the Public sector,

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Income statement

(in €000)	Notes	H1 2010	% of sales	H1 2009	% of sales	2009	% of sales
Sales	6.1	119,989	100.0%	120,401	100.0%	248,588	100.0%
Goods & services purchased and change in inventories		-14,980	12.5%	-14,399	12.0%	-31,019	12.5%
Gross profit		105,009	87.5%	106,002	88.0%	217,568	87.5%
Capitalized expenditures		14,338	11.9%	14,859	12.3%	28,777	11.6%
External expenses		-22,813	19.0%	-23,712	19.7%	-45,882	18.5%
Value-added		96,534	80.5%	97,149	80.7%	200,463	80.6%
Taxes other than income taxes		-3,578	3.0%	-3,307	2.7%	-6,590	2.7%
Personnel costs		-66,221	55.2%	-68,506	56.9%	-134,509	54.1%
EBITDA		26,735	22.3%	25,336	21.0%	59,364	23.9%
Other ordinary income		200	0.2%	225	0.2%	457	0.2%
Other ordinary expenses		-1,065	0.9%	-521	0.4%	-1,178	0.5%
Depreciation, amortization and provisions		-16,481	13.7%	-16,449	13.7%	-30,137	12.1%
Income from ordinary activities		9,389	7.8%	8,592	7.1%	28,505	11.5%
Other ordinary income	6.2	3,314	2.8%	1,215	1.0%	3,306	1.3%
Other operating income and expense	6.2	-1,073	-0.9%	-3,256	-2.7%	-5,272	-2.1%
Operating income		11,630	9.7%	6,551	5.4%	26,539	10.7%
Financial income		275	0.2%	54	0.0%	136	0.1%
Financial expense		-833	0.7%	-1,613	1.3%	-2,606	1.0%
Net financial expense	6.3	-558	-0.5%	-1,558	-1.3%	-2,470	-1.0%
Pre-tax income		11,072	9.2%	4,993	4.1%	24,068	9.7%
Income tax	6.4	-3,893	3.2%	-126	0.1%	-6,090	2.4%
Share in net income of equity-accounted subsidiaries	5.1.5	-162		-37		-106	
Net income		7,018	5.8%	4,830	4.0%	17,872	7.2%
Net income attributable to parent company shareholders		7,018	5.8%	4,830	4.0%	17,872	7.2%
Net income attributable to minority interests							
Average number of shares		8,809,947		8,814,585		8,796,328	
Earnings per share attributable to parent company shareholders		€0.80		€0.55		€2.03	
Statement of comprehensive income (in €000)		H1 2010		H1 2009		2009	
Exchange differences		34		11		49	
IAS 19 Amendment		-1,011		-203		98	
Securities measured at fair value		-7		-21		-21	
Deferred taxes		350		77		-27	
Total income and expenses recognized during the period		6,384		4,694		17,971	

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Assets

Net amounts (in €000)	Notes	6/30/2010	12/31/2009	6/30/2009
Goodwill	5.1.1	185,815	185,833	185,833
Intangible assets	5.1.2	67,094	66,054	63,795
Property, plant & equipment	5.1.3	5,528	6,347	6,066
Non-current financial assets	5.1.4	3,555	2,405	2,890
Equity-accounted subsidiaries	5.1.5	1,322	1,485	1,554
Other receivables	5.3.1	932	913	
Deferred taxes	5.2.1	44	38	373
Non-current assets		264,289	263,075	260,512
Inventories and work-in-progress		829	1,002	1,171
Trade receivables and similar accounts	5.3	60,061	61,517	60,589
Other receivables and prepaid items	5.3			
Personnel		500	447	440
Sales tax receivables		2,802	3,290	2,299
Income tax receivables		30	8	47
Other receivables		354	439	1,799
Prepaid expenses		4,158	3,434	4,088
Cash and cash equivalents	5.2.2	2,723	5,227	2,861
Current assets		71,457	75,364	73,294
TOTAL ASSETS		335,746	338,439	333,806

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Liabilities and shareholders' equity

Net amounts (in €000)	Notes	6/30/2010	12/31/2009	6/30/2009
Share capital		8,771	8,771	8,771
Share premium		94,681	94,681	94,681
Reserves		51,092	42,988	43,147
Net income for the year		7,018	17,872	4,830
Other shareholders' equity				
Shareholders' equity attributable to parent company shareholders		161,562	164,312	151,429
Minority interests				
Total shareholders' equity	5.4	161,562	164,312	151,429
Other long-term financial liabilities (portion > 1 year)	5.3	73,859	63,810	79,760
Acquisition-related debt (portion > 1 year)	5.3	2,326	2,281	2,236
Deferred taxes	5.2.1	3,652	3,400	
Provisions for pension obligations and employee benefits	5.5	8,861	7,480	7,520
Non-current liabilities		88,698	76,971	89,516
Provisions for other liabilities (portion < 1 year)	5.6	6,126	8,628	9,025
Financial liabilities (portion < 1 year)	5.3	1,378	4,913	2,711
Trade accounts payable & similar accounts	5.3	19,536	22,428	19,902
Tax and social security liabilities	5.3			
Personnel		32,472	35,442	33,752
Other taxes and employee-related liabilities		1,674	1,306	1,828
Sales tax payables		4,662	6,251	4,101
Income tax payables		747	3,057	1,371
Other liabilities	5.3			
Acquisition-related debt (portion < 1 year)		210	210	210
Payables related to acquired non-current assets (portion < 1 year)		15	178	178
Other liabilities and unearned revenue	5.3			
Other current liabilities		4,237	4,706	3,904
Unearned revenue		14,429	10,037	15,879
Current liabilities		85,486	97,157	92,861
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		335,746	338,439	333,806

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Cash flow statement

(in €000)	6/30/2010	6/30/2009	12/31/2009
Net income	7,018	4,830	17,872
Share in net income of equity-accounted subsidiaries	162	37	106
Depreciation, amortization & provisions and elimination of non-cash revenue and expense items	13,292	16,448	29,032
Capital gains and losses on disposal of property, plant & equipment	8	239	261
Interest expense	596	1,371	2,098
Tax expense	3,892	126	6,090
Cash flow generated by the business	24,968	23,051	55,459
Interest paid	-543	-1,013	-1,659
Tax paid	-5,586	574	-19
Cash flow after interest and tax paid	18,839	22,612	53,781
Change in inventories	174	96	265
Change in accounts receivable	5,850	12,907	6,215
Change in other receivables	485	1,328	1,682
Change in trade payables	-3,617	-5,324	-2,437
Change in other payables	-4,884	-4,012	166
Change in working capital requirement	-1,992	4,994	5,891
Net cash from operating activities	16,847	27,606	59,672
Acquisition of intangible assets	-14,750	-15,057	-29,260
Acquisition of property, plant & equipment	-848	-710	-2,203
Acquisition of non-current financial assets	-27	-41	-93
Acquisition of companies net of acquired cash	-1,007		-500
Disposal or decrease in property, plant & equipment	62	696	991
Net cash from investing activities	-16,570	-15,112	-31,065
Capital increase		10	10
Acquisition of treasury shares			
Dividends paid to parent company shareholders	-9,246	-8,810	-8,810
Repayment of the OBSAR bonds		-44,100	-44,100
Drawdowns under medium-term lines of credit	74,000	80,000	68,000
Repayment of medium-term lines of credit	-68,000	-43,000	-43,000
Change in other financial debt	-41	194	200
Net cash from financing activities	-3,287	-15,706	-27,700
Opening cash and cash equivalents	4,712	3,805	3,805
Change in cash and cash equivalents	-3,010	-3,212	907
Closing cash and cash equivalents	1,701	593	4,712
(in €000)	6/30/2010	6/30/2009	12/31/2009
Marketable securities	1,120	2,861	3,208
Cash	1,603	-2,267	2,019
Bank overdrafts	-1,022		-515
Closing cash and cash equivalents	1,701	593	4,712

FIRST HALF 2010 CONSOLIDATED FINANCIAL STATEMENTS

Statement of changes in shareholders' equity

(in €000)	CHANGES IN SHAREHOLDERS' EQUITY								TOTAL SHAREHOLDERS' EQUITY
	attributable to parent company shareholders							attributable to minority interests	
	Share capital	Share premium	Other shareholders' equity	Reserves and retained earnings	Treasury shares	Income or loss recognized directly in equity	Total attributable to parent company shareholders		
Shareholders' equity at 12/31/2008	8,771	94,671	6,237	54,305	-7,576	-1,267	155,141		155,141
First half 2009 net income				4,830			4,830		4,830
Capital increase from BSAR subscriptions and option exercises		10					10		10
Repayment of OBSAR bonds			-6,237	6,237					
Shares held in treasury					338		338		338
Exchange differences						67	67		67
IAS 19 Amendment						-133	-133		
Securities measured at fair value						-14	-14		-14
Allotment of bonus shares									
Dividends paid by the Company				-8,810			-8,810		-8,810
Shareholders' equity at 6/30/2009	8,771	94,681		56,562	-7,238	-1,347	151,429		151,429
Second half 2009 net income				13,042			13,042		13,042
Shares held in treasury					-323		-323		-323
Exchange differences						-18	-18		-18
IAS 19 Amendment						198	198		198
Securities measured at fair value						-14	-14		-14
Allotment of bonus shares									
Dividends paid by the Company									
Shareholders' equity at 12/31/2009	8,771	94,681		69,604	-7,561	-1,182	164,312		164,312
First half 2010 net income				7,018			7,018		7,018
Shares held in treasury					175		175		175
Exchange differences						-29	-29		-29
IAS 19 Amendment						-663	-663		-663
Securities measured at fair value						-5	-5		-5
Allotment of bonus shares									
Dividends paid by the Company				-9,246			-9,246		-9,246
Shareholders' equity at 6/30/2010	8,771	94,681		67,376	-7,386	-1,876	161,562		161,562

All of the information provided herein is expressed in thousands of euros unless otherwise indicated. The accompanying notes are an integral part of the first half 2010 financial statements. These condensed consolidated financial statements were approved by the Board of Directors on July 21, 2010.

1. SIGNIFICANT EVENTS IN H1 2010

• ICMI purchased half of the ownership interest in Cegid Group held by Apax Partners

ICMI, a company controlled by Jean-Michel Aulas, acquired half of Apax's stake in Cegid Group on April 12, 2010, or 498,466 shares, representing 5.40% of the Company's share capital.

• Acquisition of Vedior Front RH, a specialist in Payroll/HR software solutions

On June 16, 2010, Cegid acquired 100% of Vedior Front RH, a developer of Payroll/HR solutions, and the company was renamed Cegid Front RH on the same day. This company will be included in the scope of consolidation from July 1, 2010.

2. COMPLIANCE STATEMENT

The condensed consolidated financial statements for the first half of 2010 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, 2010. These principles are the same as those applied for the preparation of consolidated financial statements for the full year ended December 31, 2009. This information and the detailed notes hereafter were prepared on the basis of the new standards and interpretations in force on June 30, 2010 and applicable to fiscal years beginning on January 1, 2010 or later, specifically:

- The revised version of IFRS 3 «Business combinations»,
- The revised version of IAS 27 «Consolidated financial statements». These new standards did not affect the financial statements presented on June 30, 2010.

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, 2009.

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

The accounting principles and methods applied are identical to those applied to the financial statements for the fiscal year ended December 31, 2009. The full set of accounting principles is detailed in the consolidated financial statements for the year ended December 31, 2009 and integrated into the 2009 Reference Document filed with the AMF on April 23, 2010 under the number D.10-0308. Specific principles applicable to half-year financial statements are presented below.

3.2 Valuation basis

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

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

3.3 Use of estimates

Preparation of financial statements that comply with the conceptual IFRS framework requires that certain estimates and assumptions be made which affect the amounts reported in these statements. The principal items involving the use of estimates and assumptions are impairment tests on intangible assets, deferred taxes, provisions, in particular provisions for pension obligations, and liabilities related to earn-outs paid in the context of acquisitions (earn-out clauses). These estimates are based on the best information available to management as of the date the statements were approved. The current economic and financial environment makes it harder to value and estimate certain assets and liabilities and increases uncertainty about business trends. Management's estimates are based on the information available as of the date the statements were approved. Distortion of the estimates and assumptions used could impact the amounts recognized in the financial statements.

3.4 Provisions

Provisions for contingencies and losses were recognized in full as of June 30, 2010 if the event giving rise to it met the conditions specified in note 2.14 to the 2009 consolidated financial statements.

3.5 Business combinations - goodwill

The accounting method applied for the recognition of business combinations is detailed in note 2.1.1 to the 2009 consolidated financial statements.

Goodwill on the balance sheet as of June 30, 2010 is determined and measured in accordance with note 2.1.2 to the 2009 consolidated financial statements.

3.6 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, 2010 according to the methods detailed in note 2.2 to the 2009 consolidated financial statements.

3.7 Impairment tests

An impairment test is performed, if necessary, as described in note 2.3 to the 2009 consolidated financial statements if there is an indication of a loss in value at the end of the first half of the year.

3.8 Pension obligations

The discount rate used in the calculation of pension commitments as of June 30, 2010 was 4%, versus 4.90% at December 31, 2009.

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 half year period as a result of laws, agreements or contracts. The components of the calculation of pension obligations as of June 30, 2010 are shown in note 5.5.

3.9 Financial instruments

Financial instruments consolidated on June 30, 2010 were recognized in accordance with the rules detailed in note 2.11 to the 2009 consolidated financial statements.

3.10 Taxes other than income taxes

The French Government's 2010 budget, approved on December 30 2009, reformed the business tax system. The new tax is called the CET («Contribution Economique Territoriale» or «local economy tax»). This tax is made up of two components: the CVAE (corporate added-value tax) and the CFE (corporate real estate tax). The opinion of the CNC (French National Accounting Board) of January 14, 2010 allows companies to choose whether they classify the CVAE as an operating expense or corporate income tax as defined by IAS 12. Cegid believes that the CVAE to be an operating expense, that the tax change mentioned above is essentially a change in the methods for calculating local French taxes without changing its overall nature and that there is no reason to apply a different accounting treatment to these taxes than the one previously applied to the business tax.

3.11 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 as of June 30, 2010 the criteria for capitalizing deferred taxes to tax-loss carryforwards in accordance with note 2.5 to the 2009 consolidated financial statements.

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Notes to the financial statements

4. SCOPE OF CONSOLIDATION

Company	Head office Siren code	Business	Months consolidated	% Control 6/30/2010	% Ownership 6/30/2010	% Ownership 12/31/2009	
CEGID GROUP SA	Lyon 327888111	Holding	6				-
Companies held by Cegid Group							
CEGID SA	Lyon 410218010	Software development	6	100.00	100.00	100.00	FULL
QUADRATUS SA	Aix-en-Provence 382251684	Software development	6	100.00	100.00	100.00	FULL
CIVITAS SA	Cergy 384626578	Software development	6	100.00	100.00	100.00	FULL
CEGID SERVICES SARL	Lyon 341097616	Holding company	6	99.89	99.89	99.89	FULL
Companies held by Cegid SA							
CEGID CORPORATION	USA New York	Software distribution	6	100.00	100.00	100.00	FULL
CEGID IBÉRICA SL	Spain Madrid	Software distribution	6	100.00	100.00	100.00	FULL
CEGID LTD	United Kingdom Manchester	Software development	6	100.00	100.00	100.00	FULL
VCSTIMELESS ITALIA SRL	Italy Milan	Software distribution	6	100.00	100.00	100.00	FULL
CEGID HONG KONG HOLDINGS LIMITED	Hong Kong	Holding company	6	76.00	76.00	76.00	FULL
INFORMATIQUE ET COMMUNICATIONS SARL	Beaune 383837994	Software development	6	51.00	51.00	51.00	FULL
SERVANT SOFT SARL	Lyon 318762192	Software development	6	100.00	100.00	100.00	FULL
GD INFORMATIQUE SAS	Vienne 390420305	Software development	6	100.00	100.00	100.00	FULL
CGO INFORMATIQUE SARL	Lyon 323872721	Software development	6	100.00	100.00	100.00	FULL
MAGESTEL SARL	Lyon 339067092	Software development	6	100.00	100.00	100.00	FULL
FCRS SARL	Lyon 412552317	Software development	6	100.00	100.00	100.00	FULL
ASPX SARL	Lyon 430048462	Software development	6	100.00	100.00	100.00	FULL
Company held by ASPX							
COMPTANOO SAS	Lyon 4287144299	Software development	6	50.00	50.00	50.00	EQ
Company held by Cegid Hong Kong Holdings Limited							
CEGID SOFTWARE	China Shenzhen	Software distribution	6	100.00	100.00	100.00	FULL

Full: Full consolidation
EQ: Equity-accounted

5. NOTES TO THE BALANCE SHEET

5.1 Changes in non-current assets

5.1.1 Goodwill

If there was no indication of a loss in value as of June 30, 2010, the impairment test described in note 2.3 to the 2009 consolidated financial statements was not performed. It will be performed at December 31, 2010.

(in €000)	12/31/09	Increases	Decreases	6/30/10
Cegid	163,109		-18	163,091
Quadratus	16,242			16,242
Civitas	6,482			6,482
Total	185,833		-18	185,815

Goodwill related to companies accounted for by the equity method are recognized in the balance sheet under «Equity-accounted subsidiaries». The decrease related to Cegid SAs transfer of its vertical markets business dedicated to the catering industry.

5.1.2 Intangible assets

Changes during the period broke down as follows:

(in €000)	12/31/09	Reclassifications	Increases	Decreases	6/30/10
Development costs ⁽¹⁾	220,889		14,295	-168	235,016
Concessions, patents	4,574	551	456	-362	5,219
Brands ⁽¹⁾	1,900				1,900
Customer relationships ⁽¹⁾	9,200				9,200
Other intangible assets	658	-7			651
Gross amounts	237,221	544	14,751	-530	251,985
Development costs	-165,723		-13,596	164	-179,155
Concessions, patents	-4,092		-354	362	-4,084
Other intangible assets	-1,350	7	-309		-1,652
Amortization	-171,165	7	-14,259	526	-184,891
Net intangible assets	66,055	551	492	-4	67,094

⁽¹⁾ See note 2.1.1 to the 2009 financial statements

5.1.3 Property, plant & equipment

Changes during the period broke down as follows:

(in €000)	12/31/09	Reclassifications	Increases	Decreases	6/30/10
Technical facilities, equipment and industrial supplies	12,473	-571	663	-648	11,917
Other property, plant & equipment	8,450	20	185	-112	8,543
Gross amounts	20,923	-551	847	-760	20,459
Technical facilities, equipment and industrial supplies	-9,410		-673	637	-9,446
Other property, plant & equipment	-5,167		-397	76	-5,487
Depreciation and amortization	-14,576		-1,070	713	-14,932
Net property, plant & equipment	6,347	-551	-222	-47	5,528

5.1.4 Investments and other financial assets

Changes during the period broke down as follows:

(in €000)	12/31/09	Changes in scope	Increases	Decreases	6/30/10
Equity investments and related receivables	825		1,007	-7	1,825
Other long-term investments	182				182
Impairment losses	-294				-294
Total financial investments ⁽¹⁾	713		1,007	-7	1,713
Deposits	556		20	-22	554
Loans	966		7	-52	921
Impairment losses on loans and deposits	-109				-109
Loans and deposits	1,412		27	-74	1,365
Other financial assets	279		197		476
Net non-current financial assets	2,404		1,231	-81	3,555

⁽¹⁾ Financial investments broke down as follows:

(in €000)	6/30/10	% held	12/31/09	% held
OL Groupe	527	0.52%	534	0.52%
Itool	292	10.71%	292	10.71%
Cegid Front RH	1,007	100.00%		
Provisions	-292		-292	
Financial assets measured at fair value	1,534		534	
Other securities	182		182	
Provisions	-2		-2	
Other long-term investments	180		180	
Total financial investments	1,714		713	

5.1.5 Equity-accounted subsidiaries

(in €000)	6/30/10	12/31/09	6/30/09
Opening balance	1,485		
Dividends			
Changes in scope		1591	1591
Share in net income of equity-accounted subsidiaries	-162	-106	-37
Closing balance	1,322	1,485	1,554

5.2 Other changes

5.2.1 Breakdown of deferred tax assets and liabilities

(in €000)	12/31/09	Other changes	Impact on earnings	6/30/10
Deferred tax assets	38		6	44
Deferred tax liabilities	3,400	-339	591	3,652

As of June 30, 2010, unrecognized tax assets totaled €50 thousand for French subsidiaries and €1,557 thousand for foreign subsidiaries (compared to €54 thousand and €1,713 thousand respectively on December 31, 2009).

5.2.2 Cash and cash equivalents

(in €000)	6/30/10	12/31/09
Shares of mutual funds	1,120	3,208
Cash	1,603	2,019
Total	2,723	5,227

5.3 Financial instruments

5.3.1 Fair value of financial instruments

(in €000) at 6/30/2010	Carrying value	Financial assets at fair value through profit or loss	Assets available for sale	Loans and receivables
Investments in unconsolidated companies ⁽¹⁾	1,534		1,534	
Other non-current financial assets	180			180
Loans	919			919
Deposits	921			921
Other non-current receivables	932			932
Trade accounts receivable	60,061			60,061
Other short-term receivables	3,686			3,686
Cash equivalents	1,120	1,120		
Cash	1,603	1,603		
Financial assets	70,956	2,723	1,534	66,699
	Carrying value	Financial liabilities at fair value through profit or loss	Debt at amortized cost	Other liabilities
Medium-term line of credit ⁽²⁾	73,859		73,859	
Acquisition-related debt	2,536		2,326	210
Trade payables	19,536			19,536
Other current liabilities	39,570			39,570
Current financial liabilities	5,615	1,022	164	4,429
Financial liabilities	141,116	1,022	76,349	63,745

⁽¹⁾ See note 1

⁽²⁾ In January and February 2009, to hedge the risk of its medium-term line of credit, Cegid implemented two collars with a two-year maturity and a zero premium vs. 1-month Euribor (notional amount for both transactions: €20 million at maturity), one starting on January 29, 2009 with a floor of 1% and a cap of 3.60% and the other starting on February 27, 2009, with a floor of 1% and a cap of 2.90%.

As of June 30, 2010, similarly to December 31, 2009, the change in value of these two collars, i.e. the forecasted discounted monthly cash flows calculated on the basis of expected interest rates and volatility, was not significant and no restatement was carried out.

(in €000) at 12/31/2009	Carrying value	Financial assets at fair value through profit or loss	Assets available for sale	Loans and receivables
Investments in unconsolidated subsidiaries and affiliates	534		534	
Other non-current financial assets	180			180
Loans	964			964
Deposits	727			727
Other non-current receivables	913			913
Trade accounts receivable	61,517			61,517
Other short-term receivables	4,184			4,184
Cash equivalents	3,208	3,208		
Cash and cash equivalents	2,019	2,019		
Financial assets	74,245	5,227	534	68,485
	Carrying value	Financial liabilities at fair value through profit or loss	Debt at amortized cost	Other liabilities
Medium-term line of credit	63,810		63,810	
Acquisition-related debt	2,491			2,491
Trade payables	22,428			22,428
Other current liabilities	50,940			50,940
Current financial liabilities	4,913	515	4,000	398
Financial liabilities	144,582	515	67,810	76,257

5.3.2 Debt maturities

(in €000)	6/30/10	Up to 1 year	1 to 5 years	More than 5 years
Financial debt	75,237	1,378	73,859	
Trade payables	19,536	19,536		
Tax and social security liabilities	39,555			
Payables related to acquired property, plant & equipment ⁽¹⁾	2,551	225	2,326	
Other liabilities and unearned revenue	18,666	18,666		
Total	155,545	39,805	76,185	

⁽¹⁾ Acquisition-related debt comprised principally the following items:

- a commitment by Cegid to purchase the remaining 49% of the shares of Informatique et Communication held by minority shareholders, for an amount estimated at €210 thousand (May 2006),

- estimated debt related to the acquisition of Comptanoo (originally €2,614 thousand), which because of its maturity date was discounted at Cegid's refinancing rate as of the date of the transaction.

5.4 Notes to shareholders' equity

5.4.1 Changes in share capital

	Number of shares	Par value (in €)	Share capital (in €)	Share premiums (in €)
As of 6/30/2009	9,233,057	0.95	8,771,404	94,681,125
As of 12/31/2009	9,233,057	0.95	8,771,404	94,681,125
As of 6/30/2010	9,233,057	0.95	8,771,404	94,681,125

5.4.2 Earnings per share

	6/30/2010	6/30/2009	12/31/2009
Number of shares at end of period	9,233,057	9,233,057	9,233,057
Average number of shares during the period	8,809,947	8,814,585	8,796,328
Number of shares held in treasury at end of period	422,985	418,472	437,014
Consolidated net income			
Net income attributable to parent company shareholders (in € M)	7.02	4.83	17.87
Earnings per share attributable to parent company shareholders (in €) ⁽¹⁾	0.80	0.55	2.03
Fully diluted earnings per share attributable to parent company shareholders (in €) ⁽²⁾	0.80	0.55	2.03

⁽¹⁾ Based on the average number of shares outstanding (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

5.5 Non-current provisions for pension obligations and employee benefits

(in thousands of euros)	6/30/10	12/31/09	6/30/09
Present value of commitments at start of period	7,480	6,884	6,884
Changes in scope			
Financial costs	197	364	182
Current service costs	228	138	221
Amortization of unrecognized past service costs	35	69	35
Benefits paid during the period - long service awards	-91	-95	18
Projected present value of commitments at end of period	7,849	7,360	7,340
Actuarial gains and losses / experience adjustments	-33	120	180
Actuarial gains and losses / changes in assumptions	1,045		
Present value of commitments at end of period	8,861	7,480	7,520

5.6 Current provisions

(in €000)	12/31/09	Increases	Decreases ⁽¹⁾		6/30/10
			Used	Unused	
Labor disputes	2,025	352	-263	-92	2,022
Customer disputes	3,998	630	-347	-2,011	2,270
Reorganization plans	1,392		-495	-211	686
Other	1,213	103	-114	-54	1,148
TOTAL	8,628	1,085	-1,219	-2,368	6,126

⁽¹⁾ The decreases correspond to the implementation of Timeless' reorganization plan, the reorganization of certain Cegid SA businesses and to the favorable outcome of a customer dispute involving Timeless (see note 6.2).

6. NOTES TO THE INCOME STATEMENT

6.1 Breakdown of sales

6.1.1 By type of business

(in €000)	H1 2010	H1 2009
Licenses and Integration services ⁽¹⁾	49,953	50,149
Recurring contracts ⁽²⁾	61,713	60,366
Hardware and installation	7,028	8,306
Other	1,295	1,580
TOTAL	119,989	120,401

⁽¹⁾ The licensing and integration services businesses include the sale of licenses and all services related to their deployment.

⁽²⁾ «Recurrent» business corresponds to customer support, maintenance and hosting (On Demand).

6.1.2 By industry segment

(in €000)	H1 2010	H1 2009
CPAs and very small companies	30,885	31,770
Services-Wholesaling, Cleaning, general business	39,031	39,527
Manufacturing	11,803	12,766
Fashion, Specialist retailing	21,563	20,095
Construction, Hospitality	9,632	10,646
Public sector	7,075	5,597
TOTAL	119,989	120,401

6.2 Other operating income and expense

(in €000)	H1 2010	H1 2009
Impact of reorganization plans ⁽¹⁾	215	-1,691
Divestments	28	
Payments received in relation to partnerships		-350
Write-back of unused provisions for disputes ⁽²⁾	1,998	
Other operating income and expense	2,241	-2,041

⁽¹⁾ See note 5.6

⁽²⁾ Reversal of a provision recognized when Timeless entered the Group (see Note 5.6). The income generated is not related to the Group's ordinary business activities (see Note 2.19.5 of the 2009 consolidated financial statements).

6.3 Financial income/expense

(in €000)	H1 2010	H1 2009
Income from investments	42	28
Income related to discounting	31	13
Other financial income	201	14
Financial income	274	55
Interest expense on loans and other borrowings	-596	-860
Expense related to discounting	-236	-203
Interest on OBSAR bonds ⁽¹⁾		-550
Financial expense	-832	-1,613
Net financial expense	-558	-1,558

⁽¹⁾ The OBSAR bonds were repaid on March 3, 2009.

6.4 Taxes

Breakdown of tax expense

(in €000)	H1 2010	H1 2009
Current tax	-3,296	-1,812
Deferred tax	-597	1,686
TOTAL	-3,893	-126

Tax reconciliation

(in €000)	H1 2010	%	H1 2009	%
Pre-tax income	11,072		4,993	
Theoretical tax	-3,812	34.43%	-1,719	34.43%
Effect of permanent differences	-98	0.89%	-80	1.60%
Taxation of foreign subsidiaries	80	-0.72%	-364	7.29%
Use of tax-loss carryforwards	8	-0.07%	8	-0.16%
Tax credits	14	-0.13%		0.00%
Rate effects and miscellaneous ⁽¹⁾	-84	0.76%	2,029	-40.64%
Income tax	-3,893	-35.16%	-126	-2.53%

⁽¹⁾ In H1 2009, this line item included tax savings of €1,543 thousand related to debt forgiveness in favor of loss-making foreign subsidiaries. The tax-loss carryforwards of these subsidiaries had not been capitalized.

7. NOTES ON OFF-BALANCE-SHEET COMMITMENTS

7.1 Commitments given

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

7.2 Commitments received

Commitments received as asset and liability guarantees in connection with acquisitions

(in €000)	Up to 1 year	1 to 5 years	More than 5 years
Commitments subject to limitations		3,802	

Bank lines of credit

The syndicated line of credit, initially totaling €200 million, broke down as follows:

- a €20 million loan amortizable in tranches of €4 million over a period of five years beginning on the date of the first drawdown, March 3, 2009. In order to optimize the Group's financial costs, this loan was repaid on March 3, 2010.
- a €180 million loan, repayable at maturity, under which, in April 2008, Cegid exercised the loan extension clause included in the agreement. This clause provides for an extension of the maturity date of the loan from June 30, 2011 to June 30, 2013 and an adjustment to the maximum outstanding amount, which will now be set at €150 million from June 30, 2011 and €120 million from June 30, 2012.

The loan agreement includes various customary covenants, indicated in note 4.3 of the 2009 Reference Document. At June 30, 2010, the Group was in compliance with these covenants.

(in €000)	6/30/10	6/30/11	6/30/12	6/30/13
Drawdown authorizations	180,000	150,000	120,000	0
Of which utilized at 6/30/2010	74,000			

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 2010 were as follows:

(in €000)	H1 2010	H1 2009
Trade receivables (gross)	55	364
Operating liabilities	638	652
(in €000)	H1 2010	H1 2009
Executive management fees	-1,451	-1,491
Other external expenses	-153	-182
Operating expenses	-1,604	-1,673
Overheads	112	289
Partnership	36	150
Operating revenue	148	439

9. EVENTS SUBSEQUENT TO JUNE 30, 2010

Since July 1, 2010, there were no events 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 consolidated financial statements for Cegid Group, covering the six-month period from January 1 to June 30, 2010;
- verified the information disclosed in the management report on the first half of the year.

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

I. Conclusion regarding the financial statements

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

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

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

II. Specific verification

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

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

Lyon and Villeurbanne, July 21, 2010

The Statutory Auditors

MAZARS

Max Dumoulin

GRANT THORNTON

François Pons

We hereby certify that to the best of our knowledge, the condensed consolidated first half 2010 financial statements were prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial condition and earnings of the companies in Cegid's scope of consolidation, and that the first half management report presents a true and fair view of the important events that took place during the first six months of the fiscal year and of their impact on the first half financial statements, of the principal risks and uncertainties for the remaining six months of the year and of the principal transactions between related parties.

Jean-Michel AULAS

Chairman of the Board of Directors

Patrick BERTRAND

Chief Executive Officer

GENERAL INFORMATION

Fiscal year: January 1 to December 31

ISIN code: FR 0000124703

Reuters CEGI.PA

Bloomberg: CGD FP

Number of shares at June 30, 2010: 9,233,057

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

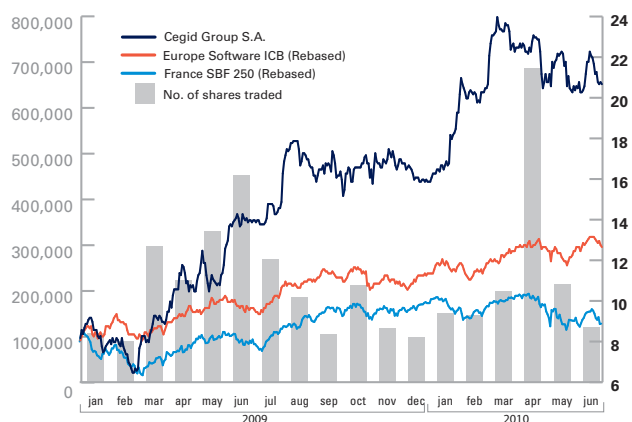
ICB: 9537 Software

Cegid is included in the Small 90, Mid and Small 190, ITCAC and SBF 250 indices

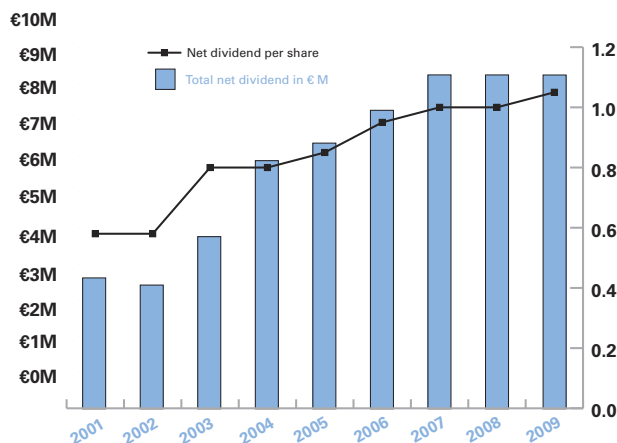
Shareholders at June 30, 2010

Share capital at June 30 after adjustment	Number of shares	% of shares	% of voting rights
Groupama group	2,482,531	26.89	25.94
ICMI	927,604	10.05	14.14
Ulysse/Tocqueville Funds	618,661	6.70	7.93
Apax	480,390	5.20	5.79
Executive Board (excl. ICMI)	77,839	0.84	0.83
Treasury shares	422,985	4.59	NA
Free float	4,223,047	45.73	45.37
TOTAL	9,233,057	100.00	100.00

Cegid Group share price and trading volume



Cegid's dynamic dividend policy



Following the decision of shareholders at their May 12, 2010 Ordinary Meeting, Cegid distributed a dividend of €1.05 per share on 2009 earnings on May 19, 2010.

Cegid Group combines an active dividend distribution policy, enabling it to foster shareholder loyalty and reward shareholders for their trust, with a growth stock profile.

Coverage of Cegid Group

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

- CM CIC Securities: Jean-Pascal Brivady
- Gilbert Dupont: Pierre-Alexandre Pouzet
- Oddo Securities: Xavier-Emmanuel Pingault
- Financière d'Uzes: Catherine Vial

Calendar

Thursday, October 14, 2010	Third quarter 2010 sales*
Thursday, January 20, 2011	Fourth quarter 2010 sales*

* after the market close



Cegid Group - 52, quai Paul Sédallian - 69279 Lyon Cedex 09 (France) - Tel: +33 (0)4 26 10 98 20
Société anonyme with share capital of €8,771,404.15 - SIREN 327 888 111 RCS Lyon - SIRET 327 888 111 00447 - VAT EEC FR 52 327 888 111

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