

CEGID Generating IDEas



**Half Year
Report 2004**

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CEGID

**MANAGEMENT software
COMPLETE IT solutions**

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1. Results and activity for the First Half-Year for the CEGID Group

Consolidated financial statement

€ THOUSANDS	2004	2003
SALES (*)	62.8	60.3
EBITDA	10.0	10.5
OPERATING PROFIT	1.3	2.4
FINANCIAL INCOME	- 0.6	-0.6
NET INCOME BEFORE TAX	0.7	1.8
EXTRAORDINARY PROFIT OR LOSS	0.3	0.6
NET RESULT (GROUP SHARE) BEFORE AMORTIZATION OF GOODWILL	1.6	1.6
NET RESULT (GROUP SHARE)	1.4	1.4
CASH FLOW	10.3	10.1

(*) Impact linked to changes in the scope of consolidation:

· Integration of Quadratus on March 1, 2003, of Data Bretagne, Technilog Informatique and NS Informatique on June 1, 2003, and Logam and ALP on October 1, 2003: + 4.9 €M

· Disposal of the «office supplies and computer consumables» division on February 1, 2004: - 2.0 €M

After a first quarter with low activity levels, a significant upturn in sales was observed during the second quarter, and more specifically during the month of June, when growth reached 8% on a like-for-like basis. This change results in a clear turnaround after many months in an economy lacking stimulation.

As a result, the EBITDA (operating profit before depreciation, amortization, interest and tax) and Cash Flow were maintained at the same levels as those posted on June 30, 2003. Operating profit was principally impacted by an increase in provisions for paid holidays and the 35-hour working week, and a rise in net depreciation allowances.

- The first half-year has resulted in an EBITDA of 10.0 €M, close to that booked on June 30, 2003. After booking 8.7 €M in net depreciation allowances, up 0.8 €M compared to June 30, 2004, operating profit stands at 1.3 €M (2.4 €M on June 30, 2003). The estimated contribution to operating profit of companies consolidated in 2003 (Quadratus on March 1, 2003, Data Bretagne, Technilog Informatique and NS Informatique on June 1, 2003, Logam and ALP on October 1) is 0.4 €M. The impact of the transfer of the «office supplies and computer consumables» business on February 1, 2004 on operating profit is -0.1 €M.

- The extraordinary profit or loss resulted primarily from capital gains from the transfer of the SCI ISERAN building (0.2 €M) and the capital gains from the transfer of CEGID's «office supplies» business (0.3 €M).

- After booking 0.5 €M in reimbursements by the financial institution summoned for the amounts paid within the framework of the tax assessment pertaining to the «turbo funds» and 0.2 €M in amortization of goodwill, net results (Group share) is 1.4 €M (1.4 €M on June 30, 2003). The estimated contribution to net profit of companies consolidated in 2003 (Quadratus on March 1, 2003, Data Bretagne, Technilog Informatique and NS Informatique on June 1, 2003, Logam and ALP on October 1) is + 0.3 €M. The impact of the transfer of the «office supplies and computer consumables» business on February 1, 2004 on net profit is + 0.1 €M.

CEGID SA Financial Statements

CEGID SA's sales stand at 56.1 €M and net income is -0.7 €M.

Net profit is 0.5 €M.

2. Major events of the first half-year 2004

Strengthening the Group's financial means: Issue of an OBSAR loan (March 2004)

CEGID successfully finalized an issue of bonds with redeemable share warrant (OBSAR) (AMF approval 04-120) for an initial amount of 42 €M, set to 44.1 €M following the exercise of the extension clause.

The bonds (ISIN code FR0010061846) and the BSAR (ISIN code FR0010061853) have been listed on the Premier Marché of the Paris Stock Exchange since March 3, 2004.

The success of the OBSAR issue will allow the existing credit lines to be refinanced, primarily the OCEANE convertible bond loan which comes to term in January 2006. In addition to extending the maturity of the group's net debt, this issue will also allow CEGID to reduce the average financial cost of it.

This issue will provide the group with the financial flexibility that is needed in order to pursue its offensive development strategy, in particular through external growth operations in France and abroad.

Transfer of the «office supplies and computer consumables» business (February 2004).

CEGID and LIOGIER have signed a partnership agreement in the office and computer supplies field for CPAs and businesses.

Right from its founding, CEGID initiated a computer consumables and printing item business for its customers. CEGID's developments in its core line of business – publishing and integration of IT management solutions – and the trends in the office supplies and computer consumable market which today requires high capacity in purchasing and a dedicated logistics chain, has led CEGID to look for a partner whose expertise is recognized in this field of activity.

Through this agreement which took effect on February 1, 2004, LIOGIER acquired CEGID's «office supplies and computer consumables» branch of business. For the entire 2003 period, this activity generated sales of about 4.2 €M.

A partnership agreement tops off this transfer transaction through which CEGID will LIOGIER accompany for a period of 5 years in the development of its business and Chartered Accountant clientele.

This transfer has resulted in the financial statements on June 30, 2004 in a capital gain of 0.3 €M.

Favorable decision for CEGID within the framework of the «turbo funds» litigation with a financial institution (March 2004)

Through judgment rendered on March 2, 2004, the Commercial Court of Paris has ordered the financial institution to pay CEGID a sum of 0.5 €M as damages caused within the framework of the additional tax assessment pertaining to the «turbo funds». This sum corresponds to the reimbursement of a tax credit.

This judgment has become final, as it was not appealed at a later date.

Development of the CEGID PGI offer

CEGID has continued to improve its ERP CEGID PGI, by incorporating new major functions that meet the increasingly complex requirements of all middle-market companies.

- The entire CEGID PGI proposal has been adapted to meet the criteria currently being laid down by the IAS / IFRS standards. This proposal, therefore, not only caters for the requirements of listed groups and their subsidiaries (approximately 30,000 entities are affected by these developments) but also the non-listed companies, which will progressively have to adapt to these new standards.
- Major new Human Resources, Customer Relations Management and Financial Management functions should strengthen the ERP CEGID PGI's positioning in the expanding functional markets.

The first half of 2004 was marked by new commercial successes: CEGID notably announced the signing of new contracts with Comptoir des Cotonniers, Direct Energie, Gallimard, Groupe Rothschild & Cie Banque and Olly Gan...

3. Events subsequent to July 1, 2004

Project for CEGID to acquire CCMX Holding

In a market concentration context, CEGID is continuing its growth dynamic. The Group is strengthening its strategic positions to become a leading player in Europe with more than 2,200 employees and approximately 220 €M of pro forma sales (130 €M in 2003).

Strengthening strategic positions

The new Group will occupy a leading position in the business software market, which will enable it to:

- Constitute an installed base of more than 87,000 clients, thanks to approximately 20,000 new accounts.
- Complete the solutions offered by CEGID around CEGID PGI's ERP, vertical "business" solutions, the ETAFI line and CEGID Business Intelligence, with the depth of CCMX's "Payroll/HR" product line and its expertise in the "accounting-finance" and consolidation fields.
- Strengthen the local sales presence: with nearly 400 sales reps, CEGID substantially strengthens its direct sales force while continuing to develop its indirect sales network with nearly 100 Distributor-Integrator partners and consulting firms.
- Integrate recognized know-how in housing and outsourcing solutions: CCMX's recognized expertise in this area complements CEGID's product line, enabling it to offer clients a comprehensive line of services.
- Increase recurring sales: the portfolio of recurring service contracts will increase 48 €M, or approximately 36% of pre-transaction sales, to nearly 95 €M, or more than 43% of the new Group's total pro forma sales.

Framework of the transaction

The 100% acquisition of shares in the capital of CCMX Holding will be performed through remunerated contribution by way of the issue of 2,489,966 CEGID shares (quoted on the Premier Marché) representing 29.5 % of the capital post operation.

In order to allow the new shareholders not to be diluted by the existing BSARs issued in March 2004 (at the same time as avoiding an additional dilution for existing CEGID shareholders) and at ICMI (controlling holding of CEGID held by Mr. Jean-Michel Aulas) to keep a minority blocking share, ICMI, concomitantly with the contribution, will assign to the current shareholders of CCMX Holding 591,341 BSARs (29.5 % of the existing BSARs) and will acquire from these shareholders 100,483 CEGID shares (1.2 % of the share capital of CEGID post operation). These transactions will be carried out at a price equal to the average weighted quote by volume, of the CEGID SA share and CEGID BSAR, over the last twenty trading days preceding June 23, 2004 (i.e. 22.48 € for the CEGID share and 2.71 € for the CEGID BSAR).

After this operation, ICMI which will remain the reference shareholder of CEGID, will hold a stake of 20.88% of the share capital and more than one third of the voting rights of CEGID, and the shareholders of CCMX Holding 28.31% of the share capital and 23.52% of the voting rights.

CEGID's Board of Directors met on September 3, 2004 and unanimously approved the contribution project, which was signed on September 7, 2004 and the calling of a Special Shareholders' Meeting.

The project is currently being examined by the DGCCRF (General Competition, Consumption and Fraud Suppression Division), as well as by the AMF in order to obtain approval.

Pursuing external growth: Acquisition of CGO Informatique

Based near Rennes and present mainly in Western France, Morocco and Tunisia, CGO Informatique (1.5 €M in sales, 190 customers and 22 employees) has most of its business in the publication and distribution of sales management and production management solutions in the Clothing and Fashion industry.

Through this acquisition, the CEGID Group is strengthening its position as leader in the area of IT solutions for professionals in Fashion and Retail by taking advantage of CGO Informatique's know-how and by allowing it to accelerate its development in the vertical markets (2003 sales figures near 50 €M – Fashion, Industry, Hospitality, Retail, Construction, Sanitation).

IBM Partnership Agreement

On September 7, 2004, IBM and CEGID announced a strategic and technological partnership, with the aim of offering a packaged middle-market proposal, combining

IBM's iSeries servers with the ERP CEGID PGI "Accounting/Finance/Salaries-HR" offer.

This offer, which is already available, will be distributed by CEGID's and IBM's retail network. Bringing these two networks together will expand CEGID's indirect network, by using IBM's network as a platform (approximately 3,000 specialist software editors and retailers).

According to the IDC consultancy firm, "Of all the integrated management software-package editors, CEGID has the best exposure in the middle-market, with a market share of 11.4 % (companies with less than 2,000 employees). Moreover, as one out of three middle-market companies use IBM's OS400 operating system, this agreement represents a new opportunity for CEGID to reinforce its links with its target market"

4. Approval of Consolidated and Parent financial statements

CEGID's consolidated and parent half-year financial statements were approved by the Board of Directors on September 23, 2004.

Switchover to IFRS standards

In accordance with European regulation 1606/2002 dated July 19, 2002, CEGID must publish, starting on January 1, 2005, its consolidated financial statements according to the IFRS (International Financial Reporting Standards), such as they will be approved by the European Commission, with a comparison to fiscal 2004.

CEGID is currently conducting detailed research on each standard in order to measure the impact on the year of transition and on subsequent periods. Work carried out up to now have brought to light subjects that can have an impact on the consolidated financial statements presented according to the IFRS standards and in particular:

- intangible assets (goodwill, and development costs),
- tangible assets (option for historical costs amortized in the transition balance sheet)
- consolidation of companies (non-reinstatement of external growth transactions performed before the transition balance sheet),
- classification of certain items as debt and/or as capital,
- employee benefits.

Note that the lines of thought mentioned above are for informational purposes only, and are in no way a complete list of the impact pertaining to this change in system of reference.

At this stage in the work, the impact of switching to these new standards cannot be accurately estimated.

5. Outlook

In light of the economic environment and the expected recovery, CEGID is continuing to take steps to adapt its break-even point in order to take advantage of the future improvements likely to be seen in its operating profit.

CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENT INTERMEDIATE BALANCE

(IN THOUSANDS OF EUROS)	01/01/04 - 06/30/04	01/01/03 - 06/30/03	01/01/03 - 12/31/03
■ SALES EX-VAT	62,844	60,271	130,058
<i>Sales of goods</i>	13,358	15,492	35,608
<i>Cost of goods sold</i>	10,445	11,561	26,272
■ GROSS PROFIT ON SALES OF GOODS	2,914	3,931	9,336
<i>Sold production</i>	49,485	44,778	94,450
<i>Inventories</i>	-8	-4	10
<i>Capitalised expenditures</i>	7,625	7,227	14,875
■ PRODUCTION OF THE PERIOD	57,103	52,001	109,334
<i>External charges</i>	15,305	13,130	26,701
■ VALUE-ADDED	44,712	42,802	91,970
<i>Operating grants</i>	--	--	12
<i>Taxes and similar payments</i>	1,407	1,435	2,491
<i>Personnel expenses</i>	33,280	30,876	63,109
■ GROSS OPERATING PROFIT	10,025	10,491	26,382
<i>Reinstatements of amortizations and reserves</i>	3,704	3,958	5,734
<i>Charges transfer</i>	216	176	416
<i>Other income</i>	131	108	202
<i>Allowances for amortizations and reserves</i>	12,420	11,891	20,855
<i>Other expenses</i>	399	446	692
■ OPERATING PROFIT OR LOSS	1,257	2,397	11,187
<i>Financial income</i>	476	331	692
<i>Financial expenses</i>	1,053	893	1,823
■ NET FINANCIAL EXPENSE	-577	-562	-1,131
PRE-TAX INCOME BEFORE EXTRAORDINARY ITEMS	680	1,835	10,056
<i>Extraordinary income</i>	1,664	1,648	6,649
<i>Extraordinary charges</i>	1,375	1,051	4,448
■ EXTRAORDINARY PROFIT OR LOSS	289	597	2,201
GROSS PROFIT OR LOSS	969	2,432	12,258
<i>Corporate income tax</i>	-670	671	4,360
■ NET PROFIT OF FULLY CONSOLIDATED COMPANIES	1,639	1,762	7,898
<i>Share of minority interests</i>	43	204	247
■ CONSOLIDATED NET PROFIT (GROUP SHARE) BEFORE GOODWILL AMORTIZATION	1,596	1,558	7,652
<i>amortization of goodwill</i>	158	160	317
NET ATTRIBUTABLE INCOME	1,437	1,398	7,335
<i>Net profit (group share) per share</i>	0,24 €	0,23 €	1,23 €

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet- ASSETS

(IN THOUSANDS OF EUROS)	GROSS	AMORTIZATIONS PROVISIONS	NET AT 06/30/2004	NET AT 06/30/2003	NET AT 12/31/2003
FIXED ASSETS					
■ GOODWILL FROM ACQUISITION					
<i>Goodwill</i>	6,771	2,214	4,557	5,305	4,715
■ INTANGIBLE FIXED ASSETS					
<i>Research and development expenses</i>	98,647	77,591	21,056	19,109	21,595
<i>Fixed assets in-progress</i>	2,106	--	2,106	2,876	1,558
<i>Concessions, patents</i>	2,096	1,992	104	195	167
<i>Business including goodwill</i>	53,885	--	53,885	51,995	54,799
<i>Other intangible assets</i>	472	10	462	462	462
■ TANGIBLE FIXED ASSETS					
<i>Lands</i>	--	--	--	6	6
<i>Buildings</i>	1,243	681	562	1,359	700
<i>Technical facilities, equipment and industrial tools</i>	5,481	4,719	762	996	882
<i>Other tangible fixed assets</i>	10,414	6,303	4,110	2,441	4,234
■ LONG-TERM INVESTMENTS					
<i>Interests and receivables from interests</i>	553	10	543	32	43
<i>Other fixed securities</i>	18	--	18	18	18
<i>Loans</i>	608	--	608	561	609
<i>Other long-term investments</i>	325	45	279	274	284
TOTAL FIXED ASSETS	182,618	93,565	89,053	85,628	90,072
CURRENT ASSETS					
■ INVENTORIES					
<i>Raw materials</i>	2,910	991	1,919	2,198	2,041
<i>Unfinished goods and services</i>	15	--	15	9	24
<i>Trade goods</i>	1,330	199	1,130	2,408	1,765
■ RECEIVABLES AND SUSPENSE ACCOUNTS					
<i>Trade receivables and similar accounts</i>	38,740	5,432	33,308	38,941	36,022
<i>Receivables from suppliers</i>	330	--	330	223	1,384
<i>Receivable from personnel</i>	201	--	201	172	179
<i>Income-tax receivables</i>	1,064	--	1,064	693	--
<i>VAT receivables</i>	1,405	--	1,405	1,190	1,389
<i>Other receivables</i>	320	29	291	367	35
<i>Prepaid expenses</i>	2,797	--	2,797	1,604	1,851
<i>Expenses carried forward to future financial periods</i>	1,802	--	1,802	624	965
<i>Deferred tax</i>	339	--	339	254	139
■ MISCELLANEOUS					
<i>Transferable investment securities</i>	50,227	--	50,227	8,961	16,264
<i>Cash and near-cash</i>	201	--	201	337	2,611
TOTAL CURRENT ASSETS AND SUSPENSE ACCOUNTS	101,681	6,651	95,030	57,980	64,669
TOTAL ASSETS	284,299	100,216	184,083	143,608	154,741

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet- LIABILITIES

(IN THOUSANDS OF EUROS)	NET AT 06/30/2004	NET AT 06/30/2003	NET AT 12/31/2003
SHAREHOLDERS' EQUITY			
<i>Share capital</i>	5,653	5,653	5,653
<i>Paid-in surplus, call and merger premiums</i>	23,165	23,172	23,165
<i>Legal reserve</i>	598	598	598
<i>Regulated reserves</i>	2,136	2,136	2,136
<i>Consolidated reserves</i>	14,733	11,714	11,731
<i>Retained earnings</i>	2,234	2,654	2,654
<i>Other reserves</i>	5,542	5,542	5,542
<i>Annual profit or loss</i>	1,437	1,398	7,335
TOTAL SHAREHOLDERS' EQUITY	55,499	52,867	58,814
MINORITY INTERESTS			
<i>Minority interests/shareholders' equity</i>	5,571	5,596	5,533
<i>Minority interests/earnings</i>	43	204	247
TOTAL MINORITY INTERESTS	5,614	5,800	5,780
PROVISIONS FOR RISKS AND CHARGES			
<i>Provisions for risks</i>	4,587	3,908	4,345
<i>Provisions for charges</i>	1,338	1,989	1,727
TOTAL PROVISIONS	5,925	5,897	6,072
PAYABLES AND SUSPENSE ACCOUNTS			
■ O.C.E.A.N.E. CONVERTIBLE BOND LOANS	30,314	30,317	30,691
■ O.B.S.A.R. CONVERTIBLE BOND LOANS	44,162	--	--
■ BORROWINGS AND DEBT WITH CREDIT INSTITUTIONS			
<i>Other borrowings</i>	5	8,169	4,034
<i>Overdrafts, bank borrowings</i>	596	497	858
■ SUNDRY BORROWINGS	314	670	251
■ TRADE PAYABLES AND EQUIVALENT	13,376	12,440	19,634
■ TAX AND EMPLOYEE-RELATED LIABILITIES			
<i>Employee</i>	8,214	7,515	8,244
<i>Social security payables</i>	6,804	6,511	6,604
<i>Income tax payables</i>	--	153	1,281
<i>Deferred tax</i>	236	--	236
<i>VAT payables</i>	1,645	1,298	1,939
<i>Other tax and employee-related liabilities</i>	667	1,012	688
■ OTHER PAYABLES			
<i>Misc. debt</i>	2,676	2,645	2,498
<i>Trade payables and equivalent</i>	500	967	1,237
■ UNEARNED REVENUE	7,535	6,849	5,881
TOTAL PAYABLES AND SUSPENSE ACCOUNTS	117,044	79,044	84,075
TOTAL LIABILITIES	184,083	143,608	154,741

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOW

(IN THOUSANDS OF EUROS)	06/30/2004	06/30/2003	12/31/2003
NET PROFIT OR LOSS	1,437	1,398	7,335
<i>Share of minority interests</i>	43	204	247
<i>Allowances for depreciation and reserves net</i>	9,223	8,121	14,829
<i>Capital gains or losses</i>	-431	397	-203
CASH FLOW	10,272	10,120	22,208
<i>Restatement of expenses to be carried forward</i>	-297	-303	-1,084
<i>Change in working capital requirements</i>	-4,105	-3,588	7,165
<i>Origine :</i>			
<i>Raw materials</i>	764	589	1,337
<i>Trade receivables</i>	2,714	3,604	6,818
<i>Other receivables</i>	-1,450	-186	-572
<i>Trade payables</i>	-6,271	-6,347	565
<i>Other payables</i>	138	-1,248	-983
CHANGE IN OPERATING CASH FLOW	5,870	6,229	28,289
<i>Additions of intangible assets</i>	-8,368	-24,708	-33,859
<i>Additions of tangible assets</i>	-747	-307	-2,983
<i>Additions of long-term investments</i>	-507	-8	-104
<i>Fixed assets sales</i>	1,535	620	3,549
CHANGES IN CASH FROM INVESTMENTS	-8,088	-24,403	-33,397
<i>Dividends paid to parent company shareholders</i>	-4,753	-3,422	-3,422
<i>Dividends paid to minority shareholders of consolidated subsidiar-</i>	-168	-94	-95
<i>Repurchase of convertible bonds</i>	--	-2,124	-2,124
<i>Issue of an OBSAR (redeemable stock warrants) loan</i>	42,963	--	--
<i>Other changes in debt</i>	-4,008	6,756	2,662
CHANGES IN CASH FROM FINANCING ACTIVITIES	34,033	1,116	-2,978
CHANGE IN CASH	31,816	-17,058	-8,086
CASH AT THE BEGINNING OF THE PERIOD	18,016	26,102	26,102
CASH AT THE CLOSING OF THE PERIOD	49,832	9,044	18,016

CONSOLIDATED FINANCIAL STATEMENTS

CHANGES IN SHAREHOLDER'S EQUITY

Changes in shareholders' equity (excluding minority interests)

(IN THOUSANDS OF EUROS)	CAPITAL	PREMIUM RESERVES	RESERVES & RETAINED EARNINGS	PROFIT/LOSS OF THE PERIOD	TOTAL
POSITION AT 12/31/01	5,981	30,824	19,090	4,312	60,208
<i>Profit/loss of the period</i>				2,220	2,220
<i>Allocation of the 2001 consolidated profit/loss</i>			890	-4,312	-3,422
<i>Retirement of CEGID treasury stock⁽¹⁾</i>	-328	-7,652	3,910		-4,070
POSITION AT 12/31/02	5,653	23,172	23,890	2,220	54,936
<i>Profit/loss of the period</i>				7,335	7,335
<i>Allocation of the 2002 consolidated profit/loss⁽²⁾</i>			-1,202	-2,220	-3,422
<i>Provision for retirement indemnities and expense allocated to merger premium</i>		-7	-28		-35
POSITION AT 12/31/03	5,653	23,165	22,660	7,335	58,814
<i>Profit/loss of the period</i>				1,437	1,437
<i>Allocation of the 2003 consolidated profit/loss⁽³⁾</i>			2,582	-7,335	-4,753
POSITION AT 06/30/04	5,653	23,165	25,243	1,437	55,499

⁽¹⁾On 12-20-2002 CEGID retired 86,225 treasury shares

⁽²⁾In June 2003 CEGID paid 3.42 €M in dividends for the 2002 financial period

⁽³⁾In June 2004 CEGID paid 4.7 €M in dividends for the 2003 financial period

Changes in minority interests

(IN THOUSANDS OF EUROS)	06/30/2004	12/31/2003
<i>Position at the beginning of the period</i>	5,780	5,713
<i>Profit/loss of the period</i>	43	247
<i>Dividends paid by the consolidated subsidiaries</i>	-168	-94
<i>Change in consolidation scope</i>	-41	-86
POSITION AT THE CLOSING OF THE PERIOD	5,614	5,780

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Half-year report

1. Accounting rules and methods

CEGID's consolidated half-year financial statements have been prepared and presented in accordance with CRC 99-02 and CRC 99R-01 regulations (CRC: French Accounting Regulatory Committee).

For its intermediate statements, the Group applies principles and methods that are identical to those used for annual financial statements. Details pertaining to these accounting methods and principles are provided on page 58 of the notes to the consolidated financial statements on December 31, 2003, included in the registration documents filed with the AMF on May 26, 2004.

CEGID does not modify its accounting methods in any way when establishing its intermediate statements.

2. Scope of consolidation

COMPANY	HEAD OFFICE SIREN	ACTIVITY	NUMBER OF MONTH IN THE CONSOLIDATED FINANCIAL STATEMENTS	% OF OWNERSHIP 12/31/03	% OF OWNERSHIP 06/30/03	% INTERESTS 06/30/04	CONSOLIDATION METHOD
CEGID SA	LYON 327888111	SOFTWARE DEVELOPMENT	6	--	--	--	--
COMPANIES HELD BY CEGID SA							
SYNAPTIQUE SA	DIJON 341281392	SOFTWARE DEVELOPMENT	6	90.04	90.04	90.04	FC
SERVANT SOFT SA	LYON 318762192	SOFTWARE DEVELOPMENT	6	100	99.27	100	FC
APALATYS SAS	LYON 397512146	SOFTWARE DEVELOPMENT	6	100	100	100	FC
CEGID CORPORATION	BOSTON	BUSINESS SOFTWARE DISTRIBUTION	6	100	100	100	FC
CEGID ESPAÑA	MADRID	BUSINESS SOFTWARE DISTRIBUTION	6	75	75	75	FC
CEGID SERVICES SAS	LYON 341097616	HOLDING COMPANY	6	58.81	58.81	68.31*	FC
MAGESTEL SARL	LYON 339067092	SOFTWARE DEVELOPMENT	6	100	100	100	FC
ISERAN SCI	LYON 353909286	REAL ESTATE	6	100	100	100	FC
TERSUD SCI	LYON 381101021	REAL ESTATE	6	100	100	100	FC
DIRFI EURL	LYON 432391928	SOFTWARE DEVELOPMENT	6	100	100	100	FC
MONEXPERTCOMPTABLE EURL	LYON 432388502	SOFTWARE DEVELOPMENT	6	100	100	100	FC
QUADRATUS SA	LUYNES 382251684	SOFTWARE DEVELOPMENT	6	100	100	100	FC
LOGAM'INFORMATIQUE SAS	LYON 419598016	BUSINESS SOFTWARE DISTRIBUTION	6	100	100	100	FC
ALP SARL	PARIS 440580553	BUSINESS SOFTWARE DISTRIBUTION	6	100	100	100	FC
COMPANIES HELD BY SERVANT SOFT							
CBI SA	LYON 434428991	SOFTWARE DEVELOPMENT	6	100	100	100	FC
SERVANT SOFT INTERN. SA	MAISONS-ALFORT 413115593	BUSINESS SOFTWARE DISTRIBUTION	6	100	100	100	FC
ETAFI EURL	LYON 432392041	SOFTWARE DEVELOPMENT	6	100	100	100	FC

(*) CEGID SA owns 38.87% of the capital of HCS, which in turn owns 24.42% of CEGID SERVICES: this indirect equity interest is taken into account when calculating the consolidation percentage.

FC: Full Consolidation

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3. Major events

“Office supplies” business

CEGID transferred its “Office supplies and computer consumables” business to the LIOGIER company at February 1, 2004.

Lease management

Lease management of the LOGAM business by CEGID SA from January 1, 2004.

OBSAR bond issue

At March 3, 2004, CEGID issued an OBSAR (redeemable stock warrants):

The OBSAR issue concerned an amount of €44,100,012, represented by 2,004,546 bonds with a per security value of €22, bearing annual interest at 3-month EURIBOR less 0.20%. Since each bond is linked to a BSAR, 2,004,546 BSAR were therefore issued. Each BSAR grants subscription rights to a CEGID SA share at a price of €28.44 from March 3, 2004 until March 3, 2009. The bonds (ISIN code FR0010061846) and BSAR (ISIN code FR0010061853) have been quoted separately on the Premier Marché of the Paris stock exchange since March 3, 2004.

An offering prospectus describing all of the features of the issue was approved on February 23, 2004 by the AMF, the French Securities Regulator, as no. 04-120. This prospectus is available on AMF’s website (www.amf-france.org) and on the company’s website (www.cegid.fr/docinves.asp)

4. Notes to Fixed Assets

The «Business including goodwill» item at 06/30/04 is broken down as follows:

(IN THOUSANDS OF EUROS)	GROSS AMOUNT
CEGID(*)	22,997
LOGAM & ALP	1,871
MAGESTEL	627
QUADRATUS	15,584
SERVANT SOFT	12,806
TOTAL	53,885

(*) The decrease in this item is due to the transfer of CEGID’s «office supplies» business.

Goodwill from acquisitions

The goodwill from acquisitions item changed as follows (in thousands of euros):

NET VALUE AT 12/31/2003	4,715
MAGESTEL	498
SERVANT SOFT	1,066
APALATYS	3,151
ALLOWANCES FOR AMORTIZATION	158
MAGESTEL	12
SERVANT SOFT	35
APALATYS	110
NET VALUE AT 06/30/2004	4,557
MAGESTEL	485
SERVANT SOFT	1,031
APALATYS	3,041

5. Allocation of sales

(IN THOUSANDS OF EUROS)	06/30/04	06/30/03	2003
IT MANAGEMENT SOLUTIONS	49,940	46,463	101,276
MAINTENANCE AND INSTALLATIONS	10,141	8,576	18,536
IT ENVIRONMENT	327	2,319	4,207
DISTRIBUTION OF HARDWARE ^(*)	1,114	1,967	3,714
Misc.	1,322	947	2,324
TOTAL	62,844	60,271	130,058

(*) direct hardware sales not integrated into an IT solution

6. Extraordinary profit or loss

The extraordinary profit or loss resulted primarily from capital gains from the transfer of the SCI ISERAN building (0.2 €M) and the capital gains from the transfer of CEGID’s «office supplies» business (0.3 €M).

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7. Tax on profit

The deferred tax position is a result of :

- Tax payable or paid in advance relative to certain income or expenses included in the accounting income of a financial year but taxable or deductible, for tax purposes, in other financial years.
- Eliminations or adjustments that occurred during the consolidation operations.
- Tax credits for tax losses that can be carried forward when the use of the corresponding losses is considered likely. Accounting entries were made for these taxes, in accordance with the provisions of Article D 248-11 of the 7th European directive, using the liability method.

Deferred tax consists of the following items :

(IN THOUSANDS OF EUROS)	06/30/04	06/30/03
FROM DIFFERENCES THAT CAN BE CARRIED FORWARD	-856	0
FROM TIMING DIFFERENCES	656	254
TOTAL	-200	254

Potential tax savings on unrecognized tax loss on the asset portion of the consolidated balance sheet and calculated at the IS rate in effect, is €370 thousand for ordinary losses and €1,890 thousand for amortization recognized as deferred.

Tax allocation :

(IN THOUSANDS OF EUROS)	06/30/04	06/30/03
TAX LIABILITY	460	575
TAX ON REINSTATEMENTS	-116	87
DEFERRED TAX	-84	9
REINSTATEMENT/PROVISIONS FOR TAXES	-400	
INDEMNITY RECEIVED(*)	-530	
TOTAL	-670	671

(*) Amount received as a reimbursement of a tax credit within the framework of the litigation with a financial institution pertaining to «turbo funds».

8. Breakdown of employees by company

The employees of the different Group companies are broken down as follows :

	06/30/04	06/30/03
CEGID SA	1,213	1,257 ^(*)
CBI	28	25
SYNAPTIQUE	3	3
CEGID ESPANA	4	4
QUADRATUS	118	113
CEGID CORPORATION	1	
TOTAL	1,367	1,402

(*) including employees from merged companies in 2003

9. Commitments

Commitments received

Commitments received in connection with asset and liability guarantees related to the acquisitions of companies.

(IN THOUSANDS OF EUROS)	2004	2005
COMMITMENTS SUBJECT TO LIMITATIONS ^(*)	9,071	8,686

^(*) These commitments are guaranteed by the assignors for 3.465 €M.

Debt write-off

Financial debt write-off granted by CEGID SA in 1999 to its Servant Soft subsidiary which included a 10-year «better fortunes» clause: 6.86 €M

Bank lines of credit at June 30, 2004:

(IN THOUSANDS OF EUROS)	IN 2004	IN 2005	IN 2006	IN 2007	IN 2008
DRAWDOWN AUTHORIZATION ^(*)	18,550	16,813	14,125	9,104	4,083

^(*)no line was used as of June 30, 2004

The Group has made the commitment to respect certain financial ratios (net financial debt / equity, net financial debt / EBITDA). At June 30, 2004, the Group is respecting these measures.

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Commitments given

Guarantees and redemption premiums

(IN THOUSANDS OF EUROS)	30-06-2004	2005	2006
GUARANTEES AND ENDORSEMENTS	996	941	853
LOAN BOND REDEMPTION PREMIUM NET OF TAX	971	21	--

Rent commitments

(IN THOUSANDS OF EUROS)	LESS THAN 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS	TOTAL 06/30/04
RENT PAYABLE(*)	4,456	17,476	5,810	27,742

(*)Not discounted. These commitments concern 31 sites in France, including a 6-year and a 9-year commitment for the premises in Annecy and a 9-year commitment for the premises in Lyon.

Commitments pertaining to acquisitions of companies

(IN THOUSANDS OF EUROS)	2004	2005	2006	2007
PRICE ADDITION (*)	--	210	210	260

(*)Maximum amount

Acquisition with reversion clause

On 11/03/93, CEGID SA acquired 4,100 CEGID SERVICE shares from HOLDING CEGID SERVICES. This acquisition was carried out subject to a reversion clause, at the first request of HCS, in exchange for a cost of carry equivalent to the average money market rate plus 1%. This operation was approved by the Boards of Directors in 1993 under the terms of Article 101 of the Law of 1966 that has become L 225-38.

Other commitments given

To the Group's knowledge, there are no significant off-balance sheet commitments other than those mentioned in this document.

10. Exceptional items and litigation

Favorable decision for CEGID within the framework of the «turbo funds» litigation with a financial institution (March 2004)

Through judgment rendered on March 2, 2004, the Commercial Court of Paris has ordered the financial institution to pay CEGID a sum of 0.5 €M as damages caused within the framework of the additional tax assessment pertaining to the «turbo funds». This sum corresponds to the reimbursement of a tax credit.

This judgment has become final, as it was not appealed at a later date.

Other litigation

The other lawsuits, which involve mainly labor and commercial disputes, and certain lawsuits for which summonses have been served, resulted in the creation of several provisions to cover the estimated risk, after internal analysis and review by the group's attorneys.

To the company's knowledge, there are currently no other exceptional items or litigation that could significantly affect the Group's business, assets, financial position or earnings.

11. Events subsequent to June 30, 2004

On June 24, 2004, CEGID announced an agreement with CCMX Holding's shareholders (Apax Partners and Eurazeo) which would result in CEGID acquiring 100% of the interest in CCMX Holding through contribution.

Subject to the approval of the Ministry of Economy and Finance (Direction Générale de la Concurrence, de la Consommation et de la Répression des Fraudes (General Authority on Fair Competition, Consumption and Repression of Fraud)), to the obtaining of approval from the AMF and to the approval of the Special Shareholders' Meeting of CEGID shareholders, this transaction should occur during the last quarter of 2004.

With more than 800 employees and a large distribution network spread over the entire French territory, CCMX boasted 90 €M in consolidated sales during its last financial year (March 31, 2004).

Acquisition of CGO INFORMATIQUE

On July 21, 2004, CEGID announced the acquisition of 100% interest in the capital of the CGO INFORMATIQUE Company.

Based in Rennes and present mainly in Western France, Morocco and Tunisia, CGO Informatique (1.5 €M in sales, 190 customers and 22 employees) has mist of its business in the publication and distribution of sales management and production management solutions in the Clothing and Fashion industry.

AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Auditor's Report on the limited examination of consolidated half-year financial statements at June 30, 2004

Ladies and gentlemen,

In our capacity as Auditors of CEGID and in accordance with Article L.232-7 of the French Commercial Code, we have:

- made a limited examination of the business and results presented in the form of intermediate consolidated financial statements of the CEGID SA company, pertaining to the period from January 1, 2004 to June 30, 2004, as presented in this report
- verified the information provided in the half-year report.

These intermediate consolidated financial statements were established under the responsibility of the Board of Directors. It is our responsibility, based on our limited examination, to provide you with our observations concerning these statements.

We performed our work in accordance with professional standards applicable in France. These standards require that certain procedures be performed leading to provide assurance, although to a degree that is less than that resulting from an audit, that the intermediate consolidated financial statements do not contain any significant errors. An examination of this type does not include all of the verifications relative to an audit, but is limited to implementing analytical procedures and to obtaining from directors and any competent person information that we deem necessary.

Based on our limited work, we have not found any significant errors that would put into question, regarding French accounting principles and regulations, the correctness of the intermediate consolidated financial statements and that they properly reflect the assets, financial situation, as well as the results of the whole made up of all of the companies included in the scope.

We have also, in accordance with professional standards applicable in France, verified the information provided in the half-year report that comments on the intermediate consolidated financial statements on which we have based our limited examination.

We have no particular comments to make as to the sincerity and concordance with the intermediate consolidated accounts.

Lyon and Villeurbanne, September 24, 2004
The Auditors

FIDULOR GRANT THORNTON
Member of Grant Thornton International.
Jean-Marie VILMINT

MAZARS
Christine DUBUS

GENERAL CHARACTERISTICS

Financial period: From January 1 to December 31
 ISIN Code FR 0000124703
 Reuters CEGI.PA
 Bloomberg: CGD FP
 Number of shares: 5,950,596
 CEGID shares are quoted on the Premier Marché of Euronext Paris (Continu A)
 CEGID is part of the MIDCAC, SBF 250, IT CAC, IT CAC 50 indexes
 Market Segment: NextEconomy
 PEA eligibility: yes
 Capital at 08/31/2004: €5,653,066.20
 Nominal value: €0.95
 08/31/2004 quote: €24.13
 Stock capitalization: 143.6 €M

SHAREHOLDING STRUCTURE AS OF JUNE 30, 2004

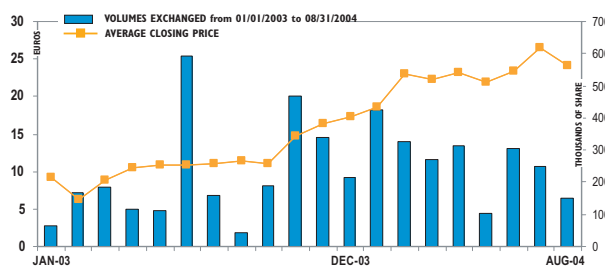
SHAREHOLDERS	NUMBER OF SHARES	% OF CAPITAL	NUMBER OF VOTING RIGHTS	% OF VOTING RIGHTS
ICMI ⁽¹⁾ DIRECT +EQUITY LIQUIDITY AGREEMENT	1,660,781	27.93	3,299,409	43.00
MANAGERS ⁽²⁾	8,216	0.14	8,792	0.11
TREASURY STOCK ⁽³⁾	9,214	0.15	--	--
ULYSSE/TOCQUEVILLE	325,294	5.47	325,294	4.24
PUBLIC	3,947,091	66.33	4,039,745	52.65
TOTAL	5,950,596	100.00	7,673,240	100.00

(1) ICMI, director company of the CEGID Group, is held by Mr. Jean-Michel AULAS at 99.96%.

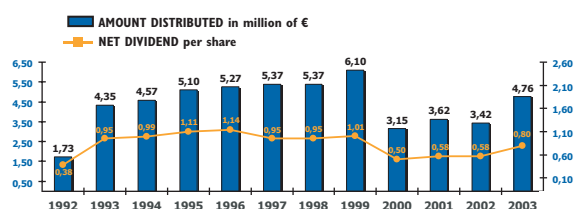
(2) Considered to be Management: directors (noting that the company ICMI, director, is mentioned above) as well as the General Manager.

(3) Share as treasury stock by CEGID within the framework of the liquidity agreement (9,213.82 rounded up to 9,214).

QUOTES AND VOLUME TRADED FOR THE CEGID SHARE



A DYNAMIC DISTRIBUTION POLICY



Following the decision of the General Shareholders' Meeting of June 4, 2004, CEGID distributed a dividend of €0.80 per share on June 7, 2004 for the 2003 fiscal year.

CEGID conciliates an active policy in dividend distribution, making it possible to render its shareholders loyal and gratify them for their trust, with a «dynamic» value profile. Between January 1, and June 30, 2004, the stock did indeed progress from €18.08 to €26.05 which is an increase of more than 44%.

LIST OF RESEARCH OFFICES ACCORDING TO THE CEGID VALUE :

CM-CIC Securities
 FIDEURAM-WARGNY
 GILBERT DUPONT
 ING Financial markets
 KEPLER EQUITIES
 ODDO MIDCAP

SCHEDULE

Half-year results 2004 Friday, September 24, 2004
 Sales Q3 2004 Thursday, October 21, 2004
 Sales Q4 2004 Wednesday, January 19, 2005

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