

Full retranscription of the meeting for the “Presentation of the 2010 results and 2011 outlook of Cegedim”, on April 14, 2011 in the Cegedim Auditorium in Boulogne-Billancourt by Jean-Claude Labrune, CEO and Pierre Marucchi, Managing Director.

Jean-Claude Labrune, CEO

Hello everyone. Thank you for coming to Boulogne today. I am going to talk about CEGEDIM, the 2010 results and outlook for this year.

Slides 2-3 Cegedim Profile/Cegedim in 2010

You all know our activities: for the pharmaceutical companies, on the one hand, for the doctors-pharmacists on the other and lastly, for the health insurers. Most of you know the company. I recognize a lot of faces and I am pleased to see so many friends again.

Regarding the figures, EBIT in particular fell in 2010. We are a little disappointed with this, and I am going to try to explain to you how much we have changed things, how much we have succeeded and how much I think this drop is due more to an increase in investments and particularly the efforts to bring us into conformity with a market which is in the process of changing, rather than a deeper malaise.

We have made many fairly promising acquisitions. Pierre will tell you that we have dropped the "DENDRITE" brand, because our American customers prefer "CEGEDIM" to "DENDRITE".

Slide 4: Activities focused on healthcare

Our activities are very numerous, oriented towards healthcare. Here we recall all of our activities, which range of course from data management to hosting, integration, and software publishing, to the entire management of information flows. It is interesting to look at these fundamentals, insofar as you will find them in all the divisions of the Group. Therefore, in all the Group's divisions, the same basics in terms of business intelligence are used by insurance, medical software, payroll software and CRM. The various building blocks are therefore found throughout the various episodes of CEGEDIM, which shows that the harmony of CEGEDIM is not only a healthcare harmony, but also a harmony of its components and its professions.

Slide 5: No direct competitor cover the entire value chain

They are numerous, since we have so many different activities. These range from your extreme right to financing, with GE Capital – to name one major company –, Siebel for CRM software – Siebel is gradually withdrawing from this market, opening the door to a new player, Sales Force Veeva, which competes with us in the field referred to as SaaS, or *cloud computing*. Then, we have IBM and Accenture as competitors in the integration and consultant sectors. They are involved in the implementation of the mutual healthcare insurance companies. We have our historic competitor,

IMS Health, competing for a fairly low share of our revenue, since the sector on which we compete with IMS Health represents around €150 million. Then, we have Pharmagest and Compugroup among the software publishers, and so on.

Slide 6: Key drivers and strategy

We can summarize this in an extremely simple way: all our sectors are in the process of changing. Take insurance, for example, where the online acquisition of rights is becoming the norm. Today, when you go to your pharmacist and you ask for a CNAMTS reimbursement or supplementary healthcare reimbursement, the transactions are performed separately, without any checking of the entitlements online. This is all changing. We now have online checks.

It is the same for medical software. Up until now, some form of PC or laptop computer has been used in doctors' practices, with a computerized database. This has been managed internally, decentralized. Looking ahead, we are seeing the emergence of the Web. For CRM, it is the same thing. The current trend is the Web. This means that throughout our businesses, we are obliged to increase our investments to bring us into line with this great demand (and this is without even considering the iPad, which we will come back to later).

Slide 7: CRM & strategic data

Let's talk about our CRM activities. They are still a very important part of the Group, since €527 million is a significant share of our revenue. For the first time, we are going to give you some information on the breakdown of these activities.

Slide 8: Activities

The basis of our activity is *OneKey*: 69 countries. We are now closer to 7.5 million in healthcare than 6 million.

To support this, we have CRM tools, i.e. tools for the management of sales forces, and then other tools related to CRM that are expanding rapidly, particularly compliance tools, which currently represent a very significant share of this activity. And then we have strategic data: this is the activity that I was talking about, which competes with that of IMS Health. This covers studies on the pharmaceutical market, studies on promotion investments, on approval of products by doctors. Today, we propose a major study, which has become increasingly important for the life sciences companies, to enable them to monitor whether or not their indications comply with the drug approvals. This is currently what all the talk is about in the American industry, concerning "OFF Label". We are currently one of the largest suppliers to say to the pharmaceutical companies, in a way which encourages them to communicate with the healthcare authorities, whether or not their products comply with the indications provided. It is therefore part of the economics of the pharmaceutical companies, for products which are really very important.

Then, we have all the longitudinal study products that enable us to assess the quality of treatment over several years, using several treatments, and within several environments. You have no doubt heard about the major pressures on the pharmaceutical industry today, in terms of *compliance*, monitoring indications, conformity, the Médiateur story is in everyone's minds. Others are not far behind, which, I think, are going to be even worse... The life sciences companies really need these services to safeguard their future.

Slide 9: Two main factors impact the CRM business

Now we come to the most significant revenue of 211 million, directly linked to the activity of medical reps (the more reps you have, the more you invoice; the fewer you have, the less you invoice). I have carried out a little study of the fall in medical reps over the current year. It is variable according to the different countries. This is not very significant. What has been very significant for us, in 2010, is that two of our biggest American customers have cut their sales forces in half. We have suffered a small drop in sales in the United States. We have not lost customers, but we have lost medical reps.

In my opinion this fall will continue worldwide at a significant rate, or thereabouts for the ten largest countries in terms of the pharmaceutical market. On the other hand, the reverse is happening in the countries where we are firmly established, such as China, Russia (we are in a strong position in Russia), in Brazil (expanding). In fact, the margins are not the same. Therefore, I am unable to assess the differential that there will be with the redundancies in 2011, 2012, 2013 and the margins. I think that this will only affect a small share of our revenue, even if it is better to be in expanding markets. Here, we are in a market that is not expanding.

Last year we had non-recurring costs due to implementation problems on our CRM software. This will end with the versions that came out on 1st April. From September, we should encounter implementation costs that will be in line with those that we envisaged.

Nevertheless, my reaction is to say: "Continue our software investments". We have invested considerably – you will see in the figures that Pierre will show you – to develop our back office management tools, i.e. to reduce the number of persons required for this management. We have even taken the decision to invest in a new product that will be available in two or three years, with the aim of at least cutting in half all our management costs linked to SaaS, the hotline service, and this whole environment; in addition, the conformity measures in relation to the new trend.

It was a very significant phenomenon last year, which will be even more so this year: the important development of the unique thought from the iPad. All our customers, and not only the pharmaceutical companies, say: "From now, I absolutely want an iPad, I think that with this, I will make money and my rep will be more intelligent". This is true. It provides the media dimension, which is very important and in any case, it is our job to follow trends. Therefore, in these investments, we had to make investments that call into question the basic model of our *Mobile*

Intelligence product, so as to be capable, from this year, of providing solutions on three platforms: Microsoft, Android and iPad.

I confess that it was not predicted, at the end of 2009, that this type of device would be such a success, that there was such a trend around these products. This is quite formidable. On that point, our policy is very clear: we will follow the movement and bring ourselves into compliance with the three platforms. This is a big investment, a big change. For my customers, it is also a different model, where they imagine that the media will be more important than the word. We will see with use. We are going to follow this trend. It is a trend that also affects doctors' software.

Slide 10: OneKey database

Still in CRM, the acquisition of SK&A in the United States. Last year, we acquired the largest supplier of doctors' data in the United States. It is a fairly exceptional company, which is fully in keeping with the CEGEDIM spirit, where you search for information and afterwards, provide it to medical reps, life sciences companies and to all those who do business with healthcare professionals.

The success of SK&A will be considerably strengthened, thanks to the contract that we signed at the start of 2011, which is a contract with the American government, a contract through which we will continue with the computerization of doctors. It is a contract for five years, which is a federal contract and we are in the process of signing local add-ons, i.e. that each State is the master of its policy and each State has different needs to monitor its electronic medical records procedure. It is a great success; a success which is of great interest to us, as we are a supplier of software in the United States, our common interest is very interesting.

We continue with China. We will be operational in Japan in 2012 and this is very important, insofar as this will enable us to start our compliance activities in Japan. We have begun to form our databases in India.

As I was saying earlier, the pharmaceutical companies are now increasingly focused on media. We read that medical reps are going to be redundant, that they will be replaced by the Internet, which is completely false. The results of Internet promotions, in terms of medical rep visits are very low and marginal. The only means of having a successful launch is by having medical reps. This is really fundamental. Even in France, as part of the Medicine Conference that took place last week and to which I was invited, the conclusion was that the medical rep visit could not be scrapped. Firstly, it is illegal. Secondly, we do not have the means to do it. Even in antibiotic therapy, you no longer know how to teach doctors how to prescribe, since there are no more medical rep visits and still no training.

We have therefore launched a new digital study, which enables pharmaceutical companies to become aware that doctors use medical software and in so doing, they change their prescription habits. It is really very simple to understand that if the doctor that you are going to see has put on his computer, a standard prescription on a product, he will only change it if the discourse of the medical

rep is capable of explaining what is happening with his software. It is therefore a change which pharmaceutical companies are just beginning to become aware of. This is the singular dialogue of reps/doctors that now go through the position of the healthcare professional and what he has in his software. No advertising inside the software. It is something that will be banned worldwide. But, knowing what the doctor does in his software, what medical practice approach he uses, what good practice tool he uses, how he ensures his compliance as part of such and such surgical operation compared to such and such patient. Therefore, we have an in-depth transformation at that level. This nominative inquiry, which has taken place in the leading ten countries, turns out to be already a great success.

In France, something that is very important is the integration of GERS in the CEGEDIM activities. GERS is an organization, which is an association of pharmaceutical companies enabling them to exchange their sales data, both for the city and for the hospital, and to buy the data from wholesalers. This organization, which I supported with the birth around forty years ago, needed to bring itself a little into conformity with the competition that exists from IMS and we entrusted it, not only with the technical operator sector, but with the entire activity. GERS remains what it is, an organization which enables the life sciences industry and public authorities to come together to exchange data. We will now take care of the commercial part. It is an increase in revenue for the Group, which is over €15 million per year. It is for this reason that I bring it up. Of course, it is not €15 million of margin, because expenses go with it.

Slide 11: CRM tools - Highlights and outlook

Last year, in the CRM tools, we launched new products. The first is called "Organization manager". This is a product that did not exist and we are the only ones to offer it on the market. This enables the pharmaceutical companies to manage globally their allocations of resources in terms of medical rep visits. That is to say, that with this tool, they are capable of allocating, product by product, country by country, their sales force and to do simulations, country by country, globally, depending on the customers they want to win over. We therefore have a lot of work to do for the first realization, which is underway. For the moment we have regional experiences. We now have the first global experience, with one of the largest pharmaceutical companies.

Next, we have new products that are products linked to the change between governments and life sciences industry. Currently, in the United States, we have what is called the Sunshine Act. This is the obligation, for American pharmaceutical companies, to declare nominatively, for each healthcare professional, how much money they have spent, on which operations. This is in fact a need that will affect all the American pharmaceutical companies. Last year we signed a certain number of contracts, we are in the process of signing many more. My aim is to have, in the United States, over 50 customers at the end of this year, for this new sector.

The English have just signed the same thing at the start of the year. Xavier Bertrand (the French Minister of Health) indicated that this was as a result of the Médiateur affair, one of the main reforms he wanted. This reform also took place at this time in Japan. This has been a little delayed with what we know. Which means that we are going to provide a global offer. And it is true that a global offer is needed, since an increasing number of studies are done in countries that are not countries that invoice. The Americans purchase studies in France. This is a significant offer. We have our *OneKey* portal offer which is starting up. It is an offer that also meets the new needs of the pharmaceutical industry, to know all about the environment.

Previously, we were in a process where we would see the specialist and then the general practitioner, in cardio, for example. Now, it is no longer possible. You now need to go to the Regional Health Agencies, all the numerous and complex decision-making centers that surround medicines. To give you a simple example, in France, today, we have to manage and provide information for our life sciences customers in 10,000 groups other than the clinics, hospitals, group practices, etc. Therefore, 10,000 different organizations. This is a new complexity for the pharmaceutical companies and obviously for us, who are currently the leaders in this activity.

Then there is iPad. I spoke to you about iPad and the problematic of mobility.

Slide 12: Healthcare professionals

Now, we move on to our *Healthcare professionals* division. The activities, you know them, are the supply of software to doctors, pharmacists and paramedics. We have a very large base of paramedics in France. There is also a financial leasing part, which is also very important.

Slide 13: Global presence

Currently, we have 82,000 equipped doctors; we are number 1 in France, number 2 in England, number 1 in Spain, number 1 in Italy, number 2 in Belgium. We are not ranked in the USA where we have 3% of the market. But, 3% of the market out of 600,000 professionals is still a lot. The pharmacists are mainly France and the UK. Then, the paramedics, which is France. CEGELEASE equips 65% of the pharmacies, which is more than our market share, which means that we are also equipping our competitors.

Slide 14: Focus on US market

A little look at the United States, because this purchase of PULSE, even if we paid a lot for it, was not so expensive. We purchased a company that has a very good software and which regularly leads in all the certifications. Certifications that are essential to get government subsidies. This money is very important. The Doctors Computerization Plan is between 44,000 and 64,000 dollars per doctor for the use of a certified software.

This graphic shows you that the penetration of this type of product in the American market is very weak, of the order of 20%. Therefore, there is all to play for, since the Plan ends in five years. We

therefore hope to multiply by five our revenue in the United States during this period, if we remain in harmony with the market. If we are better than the market – which I assume we are – I think that we will achieve even more growth. This is therefore a real gem.

Slides 17 & 18: Insurance and Services/Activities

Insurance and services: revenue of €129 million. Our profession is the computerization of the back offices of insurers. We are clear leaders in France. We expand a little, but this is not necessarily significant in the revenue, in Morocco and in Mali where we provide comprehensive social insurance plans, both primary insurance (CNAMTS) and supplementary insurance. Of course we are leaders in all that is to do with flows, i.e. all invoicing exchanges between healthcare professionals, pharmacists, opticians and insurance companies. I can reassure you we are not bankers... not yet anyway...

Slide 19: Highlights and outlook

I spoke to you about this very important revolution in online services. This means that each pharmacist software, each optician software must be equipped with a connection to our Web services to verify in real time the rights of the insured and to guarantee the healthcare professionals a complete payment of his rights. Currently, when you work with asynchronous flows, there are always significant anomalies, always someone who is no longer insured, a family which is separated, you do not know the correct complementarity between the husband and wife. This is not easy to manage. It is a necessary revolution.

We have had a great deal of success. You can see it in the figures and in the significant increase in revenue.

Something very important, HOSTA. In our range of services, we do not currently have an entity capable of carrying out the full management of the broker's work. We needed to buy HOSTA, since AXA was one of our largest customers, we were already shareholders in this company. This has cost us dearly. This was provisioned for last year. It is the first time, at CEGEDIM, that we have had to make redundancies. We are going to close down the HOSTA unit in Lyon, i.e. around 40 people.

Next, we turn to the CEGEDIM SRH offers, which are a great success. We have an activity where we provide payroll services and our main competitor is ADP. Here, we win, almost systematically, the best calls for tenders, against all our competitors.

We also have the RNP activity, the display activity, which continues to go well, with many new products: look at what is happening in the pharmacies: the window displays are increasingly attractive.

The law may change in a certain number of towns, in the sense that we will no longer have the right to stick up attractive outside window displays. We will be obliged to focus more on the inside, since

on the outside, we must pay taxes that we do not want to pay. Therefore, we are going to change all that a little.

Slide 20: Highlights and outlook

Our e-business offer where we bought DESKOM. Its integration is fully terminated. The CEGEDIM + DESKOM offer is practically unique. We are in the process of developing behind all that is related to the new SEPA regulations. Therefore, today, you can send your invoices electronically. You provide them to your customers in different forms, particularly in the form of deposits in a dedicated safe. The customer can take its invoices and process them directly electronically. We no longer need to scan them or carry out all these steps that are a little costly. Currently, we still do it on behalf of our customers, but we sub-contract them. We do not have the costs of this work. We will connect behind the payment offer. Therefore, a complete dematerialization of the chain, the SEPA payment, to sending invoices: this is an activity that is showing very good progress.

To give you an idea of the figures, today, we have close to 100,000 safes for all of our customers. We have just signed several very interesting contracts.

Slide 21: Finance

I am handing you over to Pierre.

Pierre Marucchi, Deputy Managing Director

Thank you.

Slide 22: 2010 consolidated revenue

We will go over the figures we published a few weeks ago on the year's revenue. We have growth of 6% reported and 0.8% organic. The acquisition part generated 3% growth.

The organic growth of 0.8% is distributed in a different way from one sector to another, since sectors 1 and 2 have slightly fallen; sector 3 is progressing well.

CRM and strategic data, -0.5%: Jean-Claude spoke to you about the environment, very strong market changes, several technical difficulties which have generated invoicing delays in the introduction of CRM offers. Despite all these problems, in the end, we had a decrease of 0.5%, i.e. near stability, which is a good relative performance, but it needs to be emphasized.

Healthcare professionals: -0.2%, this is the combination of a growth in software activities and a decrease in the financial leasing activity. The latter is significant, since it is of the order of €100 million, out of 271 million revenue.

Insurance and services: 9%, growth has been strong in all sectors of this third business unit.

If we look at organic growth, we have had a fluctuating year, i.e. in comparison with the previous year, we started badly, since at the end of Q1, we had a decrease of 3%. In the end, a very good Q2,

which gave us cause for optimism at the end of the first six months as to forecasts for the entire year, then a little disappointment in Q3, which made us cautious as to our financial release and to our published figures for the end of the year.

Slide 23: Well balanced and diversified revenue mix

Here, we find all the figures that enable us to have a good idea of the way in which the revenue is distributed. To summarize, sector 1, *CRM and strategic data* is a global sector, therefore with a distribution of revenue in line with the distribution of figures of our pharmaceutical companies customers. The *Healthcare professionals* sector is European, with a start-up in the United States, thanks to the acquisition of PULSE. However, PULSE having been acquired in July, does not significantly affect the figures of last year. *Insurance and services* is totally French.

All this means is that 66% of our revenue is achieved in euros. Logically then a third is achieved in other currencies. Currently, for example, when the euro rises against nearly all the other currencies, it is clear that this will have an impact on our reported growth, which will not be very favorable. Conversely, the rise in the euro compared to the dollar has a positive effect, in the sense that we still have a significant debt drawn up in dollars.

Our biggest customer with 5% of revenue is still the same, Sanofi.

Slide 24: Higher year-end seasonal effect

Here too, we present figures that are not too different from those of previous years, but which show that we have a significant seasonal effect, both in terms of revenue and in terms of result. With a very strong impact from the last quarter, since you see that in 2010, 29% of the figure was achieved in Q4; 53% of EBIT was achieved in the second HY.

There are several reasons for this. The fact that the pharmaceutical industry has reorganized its medical rep visits from September, therefore a lot of work over the past four months; many study requests for the strategic data department are received in the last two months of the year to prepare for the following year; budget surplus phenomena in many software activities.

Slide 25: 2010 summarized income statement

6% growth in revenue, 3.9% decrease in recurring EBIT. Expenses have therefore increased quicker than revenue. These are mainly payroll costs. External expenses have also increased by 8%. However, on this point there is an external growth effect: the activities that we resumed last year are structurally different with large purchases, particularly the GERS activity which purchases data from wholesalers. This changes the structure of the income statement a little. We also have growth in external expenses, since we have used external service providers, due to our technical difficulties in launching the CRM offer and customer installation.

Payroll costs, +8.5%; this growth includes the hiring of computer specialists, of two types. Some work on the introduction of our CRM tools among our customers; we have oversized the teams to offset

our technical problems; others work on research and development. Capitalized production rose from €32 to 40 million. We have further invested in our products to bring out products in the coming months and years, which will ensure the growth of the CEGEDIM Group.

You can still see the seasonal nature of our EBIT, since we made €50 million in EBIT in HY1 and 56.6 in HY2.

Slide 26: Recurring EBITDA and EBIT per sector

This table fully summarizes the situation of the change in profitability of our activities.

CRM and strategic data. EBIT, €63.5 million last year, compared to 50.9. This is therefore a decrease of around €13 million, which mainly corresponds to the hiring of technical staff, so with a certain wage level, the aim of which was to strengthen the startup teams of our *CRM Mobile Intelligence v.5* offers amongst our customers, who were dissatisfied with our reliability problems in terms of tools.

This temporary effort, which will last for a while, in all cases during the first HY of this year, since the fully reliable versions of *Mobile Intelligence* came out in April.

If we now look at the two other sectors, the performances are on the other hand very positive, since *Healthcare professionals* is at 13% of EBIT comparable to the previous year and *Insurance and services* has progressed well, since we were around 12% of EBIT and we have reached 15%.

Slide 27: Non-recurring items

For the first time in its history, the CEGEDIM Group will post a net loss. The explanation is as follows. Our recurring EBIT is €107 million; our EBIT -7 million. When we bought DENDRITE, the DENDRITE brand was valued at €104 million. In September, we decided to drop this brand from our marketing. This exclusion automatically generated an accounting entry of asset depreciation for its amount. We have sought out and worked with our advisors to try to ensure that this depreciation, which is a pure accounting entry, which has no impact on the cash, on the Group's activity, does not go through the income statement and generate an operating loss. But, the accounting rules are what they are and we have not succeeded in ensuring that this one-off operating expense of millions of euros is avoided. This explains why we have posted negative operating income.

Slide 28: Change in net earnings

Now we come to the end of the income statement. There are two important pieces of information in this table. The first is that the cost of debt has fallen by €6 million (from 40 to 34). This is linked to the fall in refinancing costs and fall in rates. Tax has also been strongly put under pressure by the depreciation linked to the DENDRITE margin, which generated an operating expense of €104 million, but an income tax benefit of €41.5 million. So, net, the depreciation of DENDRITE has cost €65 million.

Unfortunately, the IRS is not going to write us a check for €41.5 million, since in fact, these are corrective entries in the preliminary balance sheet, which have no impact on cash and no fiscal impact in reality. This is why we end the year on €16.9 million of net losses.

A quick point concerning the rate of tax. If we forget this story of dropping the brand that generated a tax credit of €41.5 million, we have a tax rate of 27.8%, consistent with what has gone before. Last year, we had a very low rate of tax, due to tax credits that we recovered in the United States, which were one-off items.

Slide 29: 2010 summarized balance sheet

Our balance sheet: *goodwill* has increased. It rose from 613 to 711 million. There are two effects, a dollar effect (€39 million) and an external growth effect (€58 million).

There might be surprise that equity has increased when we have declared a net loss. On this point there is an exchange rate effect.

Slide 30: A cash flow-generating model

We are still, although having a little less outstanding year in 2010 than in 2009, high generators of cash, with therefore an ability for self-financing before debt and before tax of €161 million.

Slide 31: Cash flow in € million

The following table explains what has happened and for what this cash contribution has been used. Therefore, we started with €122 million of cash at the end of 2009, to reach 78 million at the end of 2010, a cash reduction of 24 million, which is explained as follows: creation of cash, €160 million; the large investment items have been net acquisitions for €56 million; many investments in R&D (€40 million); the remainder is the usual normal expenses. You can see that our working capital requirements fell by €11.5 million. On this point there is an external growth effect and the integration of GERS contracts. This last activity represents a lot of revenue but also a lot of purchases. The GERS contracts are those with the pharmaceutical companies for a significant amount. Outstanding receivables are fairly heavy. We have this effect the first year, during the integration of contracts. We will no longer have it in the coming years. The fall in the working capital requirements here is therefore a little exceptional.

Slide 32: External growth

If we return to external growth, here are the gross figures: €70 million in 2010. This table has been created mainly to show you that in 2011, we started out on a low external growth policy. Unless there is an absolutely exceptional opportunity that we decide not to pass up, we have decided not to do too much external growth for this year, taking account of the difficult environment that we are currently experiencing.

Slide 33: Sound financial position

Debts: 350 million in net financial debt in 2009, 416 in 2010. Here we find what we saw earlier and particularly the impact of acquisitions. This net financial debt does not include subordinated debt with regard to the parent company, FCB holding. EBITDA is 174 million. We therefore have no concerns in terms of ratios, since the leverage is 2.4, whereas we have bank covenants at 3. Neither do we have any concerns as to the repayment of our debts, since in 2012, we must repay €165 million. It concerns revolving debt, but as we are not drawing on it today, we will not have to repay it. We also set up a bond issue last year, which enabled us to reschedule our payments and to defer the largest payment until 2015.

Slide 34: Dividend per share

We have maintained the dividend at 1 euro, despite the slight drop in profitability. Last year, it accounted for 26% of net earnings, and 31% this year. Net income fell related to the effect of withdrawing the DENDRITE margin.

The agreement that we have with the FSI is that we do not have any obligation. If we do not distribute between 25 and 35% of the net earnings, we have a specific procedure with regard to the FSI, which consists of explaining why we think that we should leave this bracket.

Slide 35: 2011 Financial outlook

2011: we start with a growth target of 4%, knowing that 2% is amassed by the full year effect of our 2010 acquisitions. Our real internal growth will therefore be 2%, with a distribution where we think we have a very good rate of growth from sector 3. The *Healthcare professionals* sector will have lesser growth in part because the CEGELEASE activity should not be highly developed. It will perhaps even be slightly down. As for *CRM and strategic data*, +3.2%, is a combination of growths linked to the *OneKey* activity and particularly the growth of SK&A in the United States and relative stability in our CRM activities complying with what Jean-Claude explained to you regarding the change in this market.

In terms of income, we believe that HY1 will be fairly difficult, since we are still at this time in the period when we have oversized the installation and set-up teams of our customers. On the other hand, HY2 will gradually reach a margin level in line with that which we had beforehand at the level of the CRM activity, i.e. a level closer to that which we had in 2009 than in 2010. Therefore, a year that will be a year of convalescence in terms of income, with little to show in HY1 on this level, and a much brighter HY2.

Slide 36: Strong and stable shareholder base

A quick recap on the Group's shareholding. No significant change. FCB, the holding company of the Jean-Claude Labrune family, with 52.3% of the capital, with 64.6% of the voting rights; FSI, 15% of the capital and 11% of the voting rights.

Slide 37: Share ID

We end on the CEGEDIM share price. 2010 was a year where we had a lot of volume compared to the past, with an average of €287,000 per day. The last year where we had a fairly high volume was 2007: €207,000. At the time of the acquisition of DENDRITE, namely in May, June 2007, we had a great deal of movement because of this acquisition. Now, our average daily volume is high, in all cases higher than previously.

Slide 38: 2011 Finance agenda

Next publication, May 4, Q1 revenue.

Slide 39:

Now we move on to the questions.

Questions and answers

Nicolas Montel / Gilbert-Dupont: *Could you return to the problems that you had in the software for pharmacies activity, with the legal histories and give us a quick summary on what happened to reassure us?*

Jean-Claude Labrune: It's a real saga! Everything started with a pharmacist from the Nîmes region and her husband who took over her father's pharmacy and who, after several months, were driving a Porsche. These are people who drew up false invoices for social security insurance, false tax declarations... everything. It went before a judge in Nîmes, who did his job thoroughly. It turns out that the lawyer of the Conseil de l'Ordre (Council of Pharmacists) and, in order to discharge his clients from liability, stated that it was the pharmacist software that were to blame. Our defense was extremely simple: we had the software audited, by an expert with the Court of Cassation. The result was, you supply management software, with no link with accounting software; therefore, regarding the regulations, theoretically, you should not be affected. You could even say that it is the chartered accountant who does the work who is affected, because it is he who enters the accounting entries for the pharmacy. And on the level of the software itself, we have proved that our software tracked the entries and the changes that took place in the different files.

I should say that there are cases where it is not very easy to have accounting software that functions perfectly, which ensures management at the same time. Today, 7% of pharmacies are equipped with robots. When there are lapses due to the robots, you notice when the invoice is drawn up. Therefore, there are numerous corrections that are linked to this. Then, there are corrections which are linked to something else and things that we won't go into. Therefore, we have endured a tremendous amount of administrative inspections, which affected the reasoning of the judge, no, who wrongly used the reasoning of the judge, no, to say that those who used the software,

particularly ALLIADIS, created false documents. So, there was an increase in inspections. Several pharmacists preferred to change software rather than show their entries.

As for us, our CEO for the activity was summoned the last time, a week from Monday, by the judge in Nîmes. He was not formally charged! Therefore, there is a good chance that he will remain an assisted witness.

I hope that answers your question.

Participant: *Could you give us more information on the Siebel point? You said that they were in the process of leaving the market for another player. Can you be a little more precise?*

Jean-Claude Labrune: They are about to lose all the competitions. They do not have suitable products to remain in the market.

Participant: *Did you win these competitions?*

Jean-Claude Labrune: There are Sales Force, Veeva, other competitors and us. So, we are in fact in the process of gaining market share on Siebel.

Participant: *Second question, can you return to the exceptional level that you expect over the coming years? Besides the depreciating aspect of the brand, we have had around €10 million for several years, at least two, is this the level that we can still reach or a lower level?*

Pierre Marucchi: Concerning the one-off expenses, I will give you the breakdown of what we had this year: we had €5 million which was redundancy payments, linked to a reduction in the workforce; and €2 million which was restructuring costs, i.e. external audits, consulting. This total of 7 million out of 10, we will have this year, in 2011; I think that we will in any case reach 10 million, partly because of the redundancy plan at the moment with HOSTA.

For 2011, we still need to count around ten million in recurring one-off charges, insofar as they have now been there for three years. We think that in 2012, we will perhaps have two to three million. In fact, we will perhaps have several reorganizations to do, but normally, this should be finished. These are really problems linked to the fact that in certain parts of the world we are hiring staff, but in others, we are reducing numbers. These reductions are exceptional each time, insofar as they are linked to changes in structure and therefore considered as such on the IFRS international accounting standards level.

Participant: *Another question on the explanation of the mechanics which cause the computer specialists to impact the accounts in HY2 2010, which will still impact them in HY1 2011 but not from HY2 2011?*

Jean-Claude Labrune: We have an additional problem of very high demand. The equation is therefore simple; we need to multiply by two our implementation performance. But, we have enough to supply all our teams.

Participant: *So this means that the revenue is supposed to increase in the second half year?*

Jean-Claude Labrune: This is what we hope for. If we become more efficient, we will start our customers quicker.

Pierre Marucchi: There are two other phenomena: some of these computer specialists are sub-contracted (external staff purchases); some come from our Indian subsidiary, since we increased our workforce by one hundred last year. India is very particular, insofar as if we are no longer hiring, the workforce decreases by 15 to 20% very quickly, because there is such movement in this country when you want to reduce numbers, it is not complicated.

Jean-Claude Labrune: In any case, we are in the process of working hard on this Indian problem. We have inherited, by purchasing DENDRITE, a large business in Bangalore and we are in the process of bringing this a little in line with our way of working and therefore, we are making a lot of changes on this point. It is true that the labor that we have in India is very volatile. If we do not pay attention, 25% of the workforce can leave in one quarter, for one rupee more. In order to develop, where we need to have competent individuals, with a very good knowledge of the CEGEDIM internal environment, this is compatible with difficulty. With the concerns that we have had, it is mainly from the Indian developments that we have had problems. It is a problem that we are in the process of resolving.

Participant: *A question on the [Insurance and services](#) margin of 15%. Is it sustainable over the coming years?*

Pierre Marucchi: It is sustainable because a proportion of this activity is the flow activity. What characterizes the flow activity is that we invoice at the flow volume. The costs are a little disconnected from the volume, which goes through our computers. However, we have growth on this activity and on one of our subsidiaries, which is called iSanté, we passed the breakeven point during 2010. This has really had a favorable effect on the margin. We are therefore confident of maintaining 15, 16% of the EBIT in this sector.

Participant: *Earlier, you spoke about multiplying revenue in the United States by 5, can you tell us on what this is based? Are you including SK&A and PULSE or is it only on PULSE?*

Pierre Marucchi: Last year, the PULSE activity accounted for around 14 million dollars. Therefore, the 4 or 5-year plan is to get to 60 million, where the multiplication by 5 given by Jean-Claude only concerns PULSE. You should know that in the acquisition price of PULSE, 50% of the price is an *earn out*, given to the two founders, the brothers who are still the bosses of the company. They will have their earn out if they reach their revenue and EBIT targets.

Jean-Claude Labrune: We are fairly sure that they will reach them.

Are there any more questions? Even on Médiateur?

Participant: *Staying on the [Healthcare professionals](#) activity, I have the impression that the half-year margin is very volatile. It was of the order of 16% in the first half year, which means less than 10 in the second half-year, how do you account for this? Could you go back to the change in activity in the UK and the 2011 outlook? Thank you.*

Pierre Marucchi: There is great variation in the revenue too. This is the problem of the sales of licenses. When you sell a license, you make 100% margin and therefore, you have fairly strong growth in terms of sales of licenses in the first half year.

Participant: *There is a 6 million variance from one half year to the next in the revenue, but there is nearly 12 million variance in the EBIT.*

Pierre Marucchi: There is PULSE and then CEGELEASE.

Jean-Claude Labrune: Without giving figures, I will try to answer in a way a little more from experience, because this is what I know the most. The doctors' software activity in France was, in 2010, the first year when, for 5 years, we hired more doctors than we lost. This recruitment took place particularly in the second half year. For the nursing activities, etc., we remained almost stable throughout the year. In England, we had a certain number of changes, because the English market is a market that is in the process of changing following the reorganization of the healthcare system. Today, we are incapable of giving you conclusions. In any case, this will be a very slow phenomenon, since a large share of our revenue is formed from regular monthly revenue, which is operating fees, much more than license fees. To give you an idea, the renewal of our customers in England is minimal. We must gain a hundred group practices per year and lose around fifty. This is roughly what is happening in England. The English market is in my opinion going to be a little immobile for the first six months of the year.

In Italy, last year there was a major change in the area also at the end of the year, since the local governments borrowed at the end of the year and gave us the money at the end of the year. We have had the same thing a little in Spain, where 80% of our activity is linked to salaried doctors and it is a system that does not change much. But, apart from leasing, there is no significant change in this activity. There will be many changes this year, with the introduction of new Web solutions. I don't know what the welcome will be like in France, in a sense as this will be a cultural revolution for many of our customers. Above all, we are not going to put this new Web software in competition with our existing software.

Participant: *Taking account of this HY1, HY2 margin differential, when we look at 2011, on what is it based? We talk about the margin of 9 to 10 in the second half-year to construct 2011?*

Pierre Marucchi: No, one thing needs to be said: the PULSE activity was in deficit in the second half year. We made 23 million in EBIT at the end of the first half-year and 13 in the second. But, we have made less revenue by integrating the American company PULSE.

For the next year, *Healthcare professionals*, we start from our 13% EBIT, with a better second half year than the first, since the growth in the revenue of PULSE that we have already noticed over the first three months – since each month is better than the previous one – will generate operating income in the second half year.

Participant: *From a more general view, on the 2011 margin, at the time of the half yearly results, we have cited a 2011 where we probably would be around 13. I think that this will not be the path that we take. Can you be a little more specific on what 2011 will be in terms of margin?*

Pierre Marucchi: We remain very cautious on our press release. But, we will not be at 13%. We spoke about 13% in recurring EBIT. I can tell you that we will not get there.

We will have a fall in the margin in HY1. If we reach at the end of HY1, a margin in absolute value, an EBIT equivalent to HY1 2010 – which is probably what we think we will achieve – knowing that our revenue will grow, this means that we will have a slight fall. The HY2, we will not communicate anything on the HY2. What we know is that technically, our problems will be behind us, since they are already with the new version. But, it will need time to introduce all this. In the *Healthcare professionals* sector we will see the effects of the computerization plan of doctors in the USA, therefore we are quite optimistic. However, for the moment, we do not have a sufficiently clear outlook to give the least rate of margin for HY2.

Jean-Claude Labrune: If there are no more questions, I invite you to go next door. You can ask me all the questions you want outside.