

Full-Year Financial Information as of December 31, 2010
IFRS – Regulated information – Audit underway

Cegedim continues to develop

2010 Revenues: €927 million

2010 Operating Income from Continuing Operations: €107 million

The Group expects 4.0% revenue growth in 2011

Paris, April 13, 2011 – [Cegedim](#), a global technology and services company specializing in the healthcare field, generated consolidated 2010 revenues of €926.7 million and an operating income from continuing operations of €107.2 million.

The year 2010 was marked by numerous commercial successes brought on by significant innovations, promising acquisitions, and a new visual identity for the Group.

Refocusing on the Cegedim brand meant a fusion of the old Cegedim and Dendrite logos, and the Dendrite trademark was dropped. As a result, the Dendrite brand was considered in accounting as depreciation in the financial statements, requiring an accounting adjustment – with no cash impact – for €104.0 million to the exceptional operating result and a €41.5 million writeback of deferred tax liabilities, or a net impact of €62.4 million on consolidated net profit. The operating cash flows generated by the CRM activity were not affected by the adjusting entry, and the Group continues to enjoy the full benefits of the synergies and value created by this strategic acquisition.

• Simplified income statement

	2010		2009		Δ
	€M	%	€M	%	
Revenues	926.7		874.1		+6.0%
EBITDA from ordinary activities	174.0	18.8%	177.8	20.4%	-2.1%
Depreciation	-66.8		-66.3		+0.8%
Operating income from continuing operations	107.2	11.6%	111.5	12.8%	-3.9%
Drop of Dendrite trademark	-104.0		-		n.s.
Exceptional operating income / expenses	-10.8		-11.7		-7.7%
Operating income	-7.6	n.s.	99.8	11.4%	n.s.
Net cost of financial debt	-34.3		-40.3		-14.9%
Tax expenses	+24.3		-5.0		n.s.
Share of earnings of equity-accounted affiliates	0.9		0.4		n.s.
Consolidated profit	-16.8		54.8		n.s.
Profit attributable to the owners of the parent	-16.9		54.7		n.s.

* at constant scope and exchange rates

Consolidated 2010 revenues came to €926.7 million, up 6.0% like for like* and 0.8% on a reported basis. As expected, the 2.8% reported increase in the fourth quarter, or close to 6.0% excluding foreign exchange impact, the Group has found once again a growth rate realigned with its ambitions.

Each sector of activity contributes positively to last quarter's growth rate, in both like-for-like and reported terms. This large range of activities, complementary and synergetic, constitutes a major asset for the continuing construction of the Group's commercial success.

Operating income from continuing operations came to €107.2 million, down 3.9% relative to end-2009. This is the result of an 8.1% rise in personnel costs caused by delays in implementing certain CRM projects, the Group having built on the significant enlargement of its teams. Even though this has affected the margin of the *CRM and Strategic Data* sectors, the improved contribution of the *Insurance and services* sector, and the stable profits of the *Healthcare professionals* sector, led to a sustained profitability of 11.6%, compared to 12.8% in 2009.

It is important to note that a significant drop in the interest charges on borrowings fell 14.9%, from €40.3 million to €34.3 million. The effective tax rate, excluding the impact of dropping the Dendrite trademark, was 27.8%, in line with the rates in 2007-08.

The consolidated profit attributable to the owners of the parent was a €16.9 million loss. Earnings per share were -1.2 euros, compared with €5.8 a year earlier. The drop in EPS is attributable to, among other things, the increase in the number of shares resulting from the €180.5 million capital increase of December 2009.

Analysis of business trends by sector

- **CRM and strategic data**

The sector's 2010 revenues came to €526.4 million, up 5.7% on a reported basis. Currencies and acquisitions boosted revenues by respectively 3.4% and 2.8%. The delay in the implementation of the new Mobile Intelligence V5 offer resulted merely in a slight decrease in like-for-like* revenues.

In order to reduce these delays, the Group has decided to build on the significant enlargement of its teams having caused an increase in the personnel costs. The sector's operating income from continuing operations came to €50.9 million, down €12.6 million compared with 2009. The decline caused the operating margin from continuing operations to drop to 9.7% from 12.7% a year earlier.

The notable improvement in the margin in the second half of 2010, at 11.8% versus 7.3% in the first half, testifies notably to the Group's strong sales momentum, successful geographic expansion new services, and the benefits of launching new versions of Mobile Intelligence. The SaaS version has proven especially popular with both existing clients and new customers. At the same time, Cegedim continues to strengthen its positions in new business areas, such as Compliance, in which it has won several contracts. The Group has continued to invest and innovate to support new product development.

The successful integration of SK&A has allowed the sector to enrich and strengthen its OneKey offering in the US, as witnessed by the contract signed with the government agency in charge of leading efforts to encourage the use of electronic health records in the US.

With its strategic data business, Cegedim is one of the principal market research companies dedicated to the pharmaceutical industry and present worldwide. Following a three-year reorganization, this business generated positive growth over the full year, particularly in Asia and the US, bolstered by demand for measuring prescription adherence.

- **Healthcare professionals**

The sector's 2010 revenues came to €271.0 million, up 2.6% on a reported basis and stable like for like*. Currencies and acquisitions boosted revenues by respectively 0.8% and 1.9% over the year.

Operating income from continuing operations rose 5.1% to €36.7 million, lifting the margin by 30bp to 13.5%.

The improvement is basically attributable to:

- A fine performance in the computerization of physicians and physical therapists in France;
- The substantial improvement in the margin of UK pharmacy computerization activities, unlike the trend observed in France;
- The growth in point-of-sale advertising in French pharmacies (RNP), for which margins remain strong.

This result is especially remarkable because the expected drop in Cegelease's margin (which reached its highest level in 2009) had a negative impact on the sector margin.

The acquisition of US-based Pulse, a company specializing in electronic healthcare records (EHR) management, had a positive impact on the revenues of the Cegedim Healthcare Software division. CHS is now a global player in the healthcare computerization market.

Pulse's comprehensive EHR solution is certified by the Certification Commission for Health Information Technology (CCHIT) and compatible with the Stage 1 meaningful use measures required to qualify eligible providers and hospitals for funding under the HITECH plan, which took effect on 1 January 2011.

To capitalize on its position in this market, Pulse significantly expanded its sales force late last year and made its software suite available on multiple operating systems (PC, iPad™, iPhone™, and Smartphone).

It should be noted that for the past three years, Pulse's solutions have been rated "5 stars" by the AC Group, a healthcare technology advisory and research firm. Furthermore, the Pulse Complete EHR solution has been recommended by the states of Arizona, Texas, Florida, Nebraska, Tennessee and Virginia.

- **Insurance and services**

The sector's 2010 revenues came to €129.2 million in 2010, up 15.8% on a reported basis. Acquisitions boosted revenues by 6.5%. Like-for-like* revenues rose 9.2% over the period.

As expected, the operating margin from continuing operations rose substantially, from 11.8% to 15.2%, a 340bp increase. Operating income from continuing operations thus amounted to €19.6 million, a 49.3% improvement over 2009.

Margin improvement was basically attributable to growth in the margin of Cegedim Activ, the leader in software and services for the personal insurance market.

With numerous commercial successes and top-notch operating performances, Cegedim Activ continues to demonstrate that its software and services offerings are well suited to its market. Its new multi-plan platform, ACTIV'RO, is already recognized as the industry standard.

The sales momentum observed in this sector over the past year is likely to continue in 2011.

It is also worth noting the continued robust sales momentum at Cegedim SRH, the payroll and HR management outsourcing specialist, and the success of the dematerialization offerings of the Cegedim e-business activity.

Financial resources

As of December 31, 2010, Cegedim's consolidated total balance sheet amounted to €1.377 billion, a slight increase compared with end-2009. The Group has a robust balance sheet position, with share capital representing 35% of total asset, a 3% increase.

Acquisition goodwill was €711 million, compared with €613 million at the end of 2009. This represents 52% of the total balance sheet. These trends are attributable chiefly to currency exchange rate and acquisitions.

Cash and equivalents exceed short-term financial debt (less than 1 year).

Net financial debt came to €462 million, compared with €395 million at end-2009. The increase was expected and was principally due to acquisition financing and an unfavorable EUR/USD trend over the period.

After net financial charges and taxes, cash flow was €161 million, down 6% compared with end-2009. Gearing level remains slightly unchanged at 1.0 against 0.8 at the end of 2009.

The working capital requirement increased by €11.5 million relative to 2009, chiefly due to the change in accounts receivable.

At the end of December 2010, the Group complied with all its bank covenants.

2010 highlights

- **External growth**

On January 7, 2010, the Group acquired US company [SK&A Information Services, Inc.](#), a top-notch supplier of healthcare data. The acquisition strengthens Cegedim's OneKey offering in the US. Created 26 years ago, SK&A has built and maintains a database with targeted information on more than 2 million healthcare professionals, including more than 800,000 prescribing physicians. This is the only database of US prescribing physicians and other healthcare professionals for which every single email address has been verified by phone contact. SK&A's business represented full-year revenues of \$15 million in 2010 and will be part of the consolidation scope of the Group from the first quarter onwards. Its operational and commercial integration, which was completed in less than 6 months, was a complete success.

On June 3, 2010, Cegedim finalized the acquisition of [Swiss CRM and direct marketing businesses from IMS Health](#) to complement and strengthen its existing Swiss offerings. The CRM and Direct Marketing Direct business unit of IMS Health GmbH has been targeting the life science industry in Switzerland for more than a decade and is recognized for its quality and reliability by more than 500 users and 30 companies. These activities represented full-year revenues of €2 million in 2010 and will be part of the consolidation scope of the Group from the second quarter onwards.

Moreover, the Group announced on June 18, 2010 the acquisition of French company [Hosta](#), a specialist in third-party management in which it has held a minority stake since 2004. Managing 400,000 beneficiaries and boasting extensive experience in third-party management of health and personal protection insurance policies, Hosta is among France's leading third-party management companies. This acquisition expands Cegedim Group's portfolio of solutions dedicated to all of its clients in the insurance sector. Hosta's activities represented full-year revenues of around €11 million in 2010 and will be part of the consolidation scope of the Group from the second quarter onwards.

On July 27 Cegedim finalized the acquisition of [Pulse Systems, Inc.](#), a leading US healthcare software and services supplier. The move gives Cegedim access to the US market for the computerization of healthcare professionals at a very critical time for the Electronic Health Records (EHR) and Practice Management (PM) software markets.

Founded in 1997, Pulse Systems has developed an extremely sophisticated and scalable ambulatory healthcare IT solution - Pulse Patient Relationship Management. This solution includes EHR, PM, e-Prescribing, Revenue Cycle Management services, etc. The company is based in Wichita and has more than 100 employees. Pulse is profitable and will likely continue to grow in a rapidly expanding sector: it expects to increase its revenues more than four-fold by 2014.

Building on the Target Software acquisition in 2005, the Dendrite acquisition in 2007 and the SK&A acquisition earlier this year, this new addition in the US is squarely in line with the Group's global strategy. It will enable the Group to leverage its complementary activities in North America and transform its European Cegedim Healthcare Software division into a global player by utilizing the Pulse solutions to expand its presence in the US market.

Pulse's activities represented full-year revenues of around \$14 million in 2010 and will be part of the consolidation scope of the Group from the second half onwards.

Cegedim finalized the acquisition of [Deskcom](#) a leading French B-to-B invoice dematerialization company, on September 6th. The deal is an opportunity for Cegedim EDI, its professional electronic data management department, to build on its leadership in the field.

The Deskcom acquisition allows Cegedim EDI, the healthcare data exchange leader, to move ahead with its strategy of opening its services to all business sectors and becoming Europe's top electronic invoicing network, able to handle any request regardless of invoice volumes, project complexity, or the number of countries involved. Deskcom's activities represented full-year revenues of €4 million in 2010 and will be part of the consolidation scope of the Group from the second half onwards.

All these deals were financed by internal financing. Under the agreements signed by the parties, all other terms of the transactions are confidential.

- **Extension of the average maturity of the debt**

As part of its policy of diversifying and extending the average maturity of its debt, Cegedim (BB+S&P), completed on July 27 issuance of a €300 million bond maturing in 2015, with a fixed annual coupon of 7.00% payable every six months. The strong demand generated by the operation, finalized in just half a day, the quality of the interested parties, and geographic diversity of the investors – of which 70% were located outside of France - enabled Cegedim to raise the €300 million under favorable conditions. At the same time, the debt issue demonstrates Cegedim's ability to tap financial markets.

- **New trademark strategy and visual identity for the Group**

In order to strengthen its image, Cegedim Management decided to simplify the brand's visual identity for the Group and its main healthcare Business Units. Each Business Unit's logo and name will reflect a key description of its overall activity. Therefore, Cegedim Dendrite has been renamed Cegedim Relationship Management.

This change is inspired by the Group's desire to present its customers with a more coherent, unified image of all of its businesses and to succinctly convey its commitment to providing them with the most advanced products and services in the industry.

Refocusing on the Cegedim brand meant a fusion of the old Cegedim and Dendrite logos, and the Dendrite trademark was dropped. As a result, the Dendrite brand was depreciated in the financial statements, requiring an accounting adjustment – with no cash impact – of €104.0 million to the exceptional operating result and a €41.5 million writeback of deferred tax liabilities, or a net impact of €62.4 million on consolidated net profit. The operating cash flows generated by the CRM activity were not affected by the adjusting entry, and the Group continues to enjoy the full benefits of the synergies and value created by this strategic acquisition.

Significant post-closing transactions and events

Cegedim grabbed an opportunity to develop a strategic activity on the market for the computerization of pharmacists and physicians in Romania by acquiring Pharmec, a company with a 40% market share in pharmacist computerization in that country and revenues of around €1 million. The move also strengthens Cegedim's ability to offer pharmaceutical companies data on the Romanian market. Created in January 2011 specifically for this transaction following a spin off from a large Romanian industrial group, Pharmec houses all of the group's IT and services activities targeted at pharmacists and physicians.

A protocol of agreement was signed on January 21, 2011. If all of the conditions subsequent are resolved by April 15, 2011, the acquisition will take effect.

The transaction is subject to a confidentiality agreement and the content of the agreement may not be disclosed.

Outlook

The Group's goal for 2011 is to further strengthen the number and quality of products and services it offers to the world healthcare market, with like-for-like* revenue growth of 4% in 2011.

Financial calendar

The Group will hold a conference call this evening (February 4) at 6:15 pm in French and 7:00 pm in English at the following number (Paris time) led by Jan Eryk Umiastowski, Cegedim Chief investment Officer and Investor Relations:

• +44 (0) 203 4333522

Access code: 4636625972

April 14, 2011

- SFAF meeting at 11:30 (Paris time) in Boulogne Billancourt (Cegedim Auditorium)

May 4, 2011 (after the stock market closes)

- 2011 Q1 revenues

August 3, 2011 (after the stock market closes)

- 2011 Q2 revenues

September 23, 2011 (after the stock market closes)

- 2011 S1 results

September 26, 2011

- SFAF meeting

November 9, 2011 (after the stock market closes)

- 2011 Q3 revenues

Additional information

The Board of Directors and the Auditors met on April 13, 2011, to approve 2010 consolidated financial statements. Audit procedures have been performed and the 2010 Full-year statutory auditors' report on the financial statements is forthcoming.

The financial information presented in this press release comes from Cegedim Full-year consolidated financial statements and is fully available on the 2010 Reference Document at www.cegedim.fr/finance as of April 22, 2011.

A presentation of Cegedim 2010 Full-year results is also available on the website.

The transcription (in French and English) of the April 14, 2011, results presentation for analysts by Jean-Claude Labrune and Pierre Marucchi will also be available on the website shortly.

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Appendices

• Balance sheet

Assets

<i>In thousand of euros</i>	<i>2010</i>	<i>2009</i>
Goodwill on acquisition	711,089	613,342
Development costs	48,093	57,644
Trademarks, patents	-	104,810
Other intangible fixed assets	121,932	63,192
Intangible fixed assets	170,025	225,646
Property	430	417
Buildings	5,540	6,225
Other tangible fixed assets	36,929	38,346
Construction work in progress	261	234
Tangible fixed assets	43,160	45,221
Equity investments	299	302
Loans	1,004	551
Other fixed financial assets	8,017	8,030
Fixed financial assets – excluding shares of equity-accounted affiliates	9,320	8,883
Shares of equity-accounted affiliates	7,276	7,173
Government – Deferred tax	49,317	33,350
Accounts receivable: long-term portion	16,685	15,282
Other receivables: long-term portion	722	983
Non-current assets	1,007,594	949,881
Services in progress	298	200
Goods	10,428	10,956
Advances and deposits received on orders	1,250	1,172
Accounts receivable: short-term portion	233,446	210,502
Unpaid, called-up capital	-	-
Other receivables: short-term portion	25,702	18,413
Cash equivalents	13,238	30,630
Cash	65,916	90,739
Prepaid expenses	19,151	15,847
Current assets	369,429	378,461
Total assets	1,377,023	1,328,341

Equity and Liabilities

<i>In thousand of euros</i>	<i>2010</i>	<i>2009</i>
Share capital	13,337	13,337
Issue premium	185,562	185,562
Group reserves	291,664	249,732
Group translation reserves	-238	-238
Group translation gains/losses	6,356	-37,844
Group earnings	-16,860	54,719
Investment subsidies	-	-
Regulated provisions	-	-
Shareholders' equity, Group share	479,820	465,267
Minority interests (reserves)	384	609
Minority interests (earnings)	102	114
Minority interests	486	724
Shareholders' equity	480,306	465,991
Long-term financial liabilities	489,280	391,408
Long-term financial instruments	13,334	16,517
Deferred tax liabilities	13,466	51,394
Non-current provisions	26,481	21,517
Other non-current liabilities	29,890	9,550
Non-current liabilities	572,451	490,386
Short-term financial liabilities	60,667	133,621
Short-term financial instruments	-	-
Accounts payable and related accounts	74,789	73,604
Tax and social liabilities	125,780	113,705
Provisions	6,066	7,133
Other current liabilities	56,963	43,902
Current liabilities	324,266	371,965
Total liabilities	1,377,023	1,328,341

- Income statement at December 31, 2010

<i>In thousand of euros</i>	<i>2010</i>	<i>2009</i>
Revenues	926,674	874,072
Other income from business activities	-	-
Capitalized production	40,188	32,631
Purchased consumed	-110,887	-104,565
External expenses	-225,586	-208,642
Taxes	-14,660	-12,561
Payroll costs	-435,579	-401,496
Depreciation expenses	-66,807	-66,328
Provision expenses and write-backs	-4,859	-1,406
Change in inventories of in-progress and finished products	94	-900
Other operating income and expenses	-1,371	726
Operating income from continuing operations	107,207	111,530
Drop of Dendrite trademark	-104,009	-
Exceptional operating income and expenses	-10,792	-11,697
Other exceptional operating income and expenses	-114,801	-11,697
Operating income	-7,594	99,833
Income from cash and cash equivalents	961	1,429
Gross cost of financial debt	-30,450	-34,705
Other financial income and expenses	-4,793	-7,033
Net cost of financial debt	-34,282	-40,309
Income taxes	-20,189	-9,950
Deferred income taxes	44,447	4,901
Tax expenses	24,259	-5,048
Share of earnings of equity-accounted affiliates	860	357
Consolidated net profit	-16,758	54,833
Profit attributable to the owners of the parent (A)	-16,860	54,719
Minority interests	102	114
Average number of shares excl. Treasury stocks (B)	13,965,092	9,480,237
Earnings per share - euros (A/B)	-1,2	5,8
Dilutive instruments	-	-
Diluted earnings per share - euros	-1,2	5,8

- Consolidated cash flow statement

<i>In thousand of euros</i>	<i>2010</i>	<i>2009</i>
Consolidated net profit	-16,758	54,833
Share of earnings of equity-accounted affiliates	-860	-357
Depreciation and amortization expense	168,666	70,190
Capital gain or losses on disposals	-437	996
Cash flow after net cost of financial debt and taxes	150,611	125,662
Net cost of financial debt	34,282	40,309
Tax expenses	-24,258	5,048
Cash flow before net cost of financial debt and taxes	160,635	171,019
Tax paid	-15,264	-4,305
Plus: change in operating working capital requirement	-11,503	-199
Net cash from operations (A)	133,868	166,515
Acquisitions of intangible fixed assets	-45,511	-37,744
Acquisitions of tangible fixed assets	-27,783	-26,382
Acquisitions of financial assets	-	-2,917
Disposals of tangible and intangible fixed assets	4,155	4,809
Disposals of financial assets	683	75
Impact of changes in consolidation scope	-56,291	-11,989
Dividends from equity accounted affiliates	759	486
Net cash from investment operations (B)	-123,988	-73,662
Dividends paid to parent company shareholders	-13,959	-
Dividends paid to the minority interests of consolidated companies	-75	-231
Increase in cash capital	-	174,700
Debt issued	303,147	3,761
Debt reimbursements	-303,704	-201,998
Interest paid on debts	-18,734	-31,460
Other financial income and expenses	-6,310	-5,748
Net cash from financing operations (C)	-39,635	-60,976
Change in cash (A+B+C)	-29,755	31,877
Opening cash position	102,338	70,254
Closing cash position	78,032	102,338
Foreign exchange gains or losses	-5,449	-207

* at constant scope and exchange rates

About Cegedim:

Founded in 1969, Cegedim is a global technology and services company specializing in the healthcare field. Cegedim supplies services, technological tools, specialized software, data flow management services and databases. Its offerings are targeted notably at healthcare industries, life sciences companies, healthcare professionals and insurance companies. The world leader in life sciences CRM, Cegedim is also one of the leading suppliers of strategic healthcare industry data. Cegedim employs 8,500 people in more than 80 countries and generated revenue of €927 million in 2010. Cegedim SA is listed in Paris (EURONEXT: CGM). To learn more, please visit: www.cegedim.com

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