

Full-Year Financial Information as of December 31, 2013
IFRS – Regulated information – Audited

Cegedim: Profitability increased in 2013, near the top of the forecast range

- *Insurance and services* division growth was brisk
- The *CRM and strategic data* division EBITDA margin rose nearly 60 bps
- The Group expects its revenues and operating margin from continuing operations to be at least stable in 2014

Paris, March 10, 2014 – [Cegedim](#), a global technology and services company specializing in the healthcare field, posted a 2.1% reported and 0.5% organic drop in consolidated 2013 revenues, to €902.3 million. EBITDA rose 1.3% year on year to €155.7 million, for a margin of 17.3% compared with 16.7% in 2012.

Over the full year, organic revenue growth of the *Healthcare professionals* and *Insurance and services* divisions offset nearly the decline at the *CRM and strategic data* division. The EBITDA margins of the *CRM & strategic data* and *Insurance and services* divisions rose substantially, whereas that of the *Healthcare professionals* division was stable.

In the fourth quarter of 2013, [Cegedim](#) generated consolidated revenues of €254.0 million, down 2.6% on a reported basis and up 0.1% in organic terms. EBITDA of €65.2 million was virtually the same as in Q4 2012. The margin was 25.7%, compared with 25.1% in the year-earlier period. The main reason for the EBITDA stability was the weak performance of [Cegedim Strategic Data](#) (market research). We note that Group EBITDA generated in the fourth quarter of 2013 represented 41.9% of full year Group EBITDA.

Operating costs, defined as purchases used, external expenses and payroll costs, continued to decline over the fourth quarter as a result of cost-control measures implemented since 2011. Over the full year 2013, these costs fell by €22.3 million. At constant exchange rates, the fall came to €7.0 million. Thus, even though reported revenues fell by €19.5 million, EBITDA rose €2.0 million.

The Group continues to prioritize innovation; given its unique positioning, this allows Cegedim to anticipate the transformational shifts in the health market and maintain leadership positions in all of the markets in which it operates. This focus on innovation has enabled the Group to launch a number of new products and services that strengthen the Group's ability to maintain its level of activity in 2014.

With conditions still in flux, [Cegedim](#) continues to prioritize debt reduction and is still pursuing efforts in order to improve its operating leverage. In 2014 the Group expects, at a minimum, stability for its revenues and operating margin.

- **Simplified income statement**

	2013		2012		Δ
	€m	%	€m	%	
Revenue	902.3	100%	921.8	100%	(2.1%)
EBITDA	155.7	17.3%	153.6	16.7%	1.3%
Depreciation	(63.5)		(63.5)		0.0%
Operating income before special items	92.1	10.2%	90.1	9.8%	2.2%
Special items	(3.2)		(9.9)		(67.2%)
Impairment of goodwill on acquisition	(63.3)		(115.0)		(45.0%)
Operating income	25.6	2.8%	(34.8)	(3.8%)	n.m.
Net cost of financial debt	(60.1)		(44.1)		36.1%
Tax expenses	(25.5)		(7.6)		235.4%
Share of earnings in equity-accounted affiliates	1.3		1.2		4.4%
Consolidated profit	(58.7)	(6.5%)	(85.3)	(9.2%)	31.2%
Profit attributable to the owners of the parent	(58.6)	(6.5%)	(85.4)	(9.3%)	31.3%

Over the full year 2013, *Cegekdim* generated consolidated revenues of €902.3 million, down 2.1% on a reported basis and 0.5% like for like compared with the same period in 2012. Acquisitions and divestments had a positive net impact of 0.2% and currencies had a negative effect equal to 1.8%.

Operating profit from continuing operations came to €92.1 million, up 2.2% relative to 2012. The increase was chiefly the result of better operating profits from continuing operations at the *CRM and strategic data* and *Insurance and services* divisions, diminished somewhat by a marginally weaker *Healthcare professionals* division.

Following the H2 results, the Group revised its infinite growth projections downward notably for « market research » activities and for the US and French markets. As a consequence the Group recognized, at the end of December 2013, an impairment of goodwill of €63.3 million attributed to the *CRM and Strategic Data* division. The aim of this book entry is to revise the value of the balance sheet assets and has no impact on cash nor on the recovery of Group profitability before special items, which remain the Group's priority. This impairment does impact on the annual operating income, which amounts to € 25.6 million in 2013. One shall note that an impairment of goodwill of € 115 million was recorded in the year 2012, without penalizing in 2013 the recovery of EBIT margin before special items, and the beginning of deleveraging.

The cost of financial debt rose by €15.9 million to €60.1 million, a 36.1% increase. This is primarily due to the €8.9 million premium paid in March 2013 to redeem a portion of the 2015 bond issue, a €3.1 million increase in loan interest payments, and a €2.3 million net impact of currency translation.

The consolidated net loss was €58.7 million, compared with an €85.3 million loss the year before, and the loss per share before special items came to €4.2, down from €6.1.

Analysis of business trends by division

- **Key figures by division**

in € million	Revenue		EBIT before special items		EBITDA	
	4 th Quarter		4 th Quarter		4 th Quarter	
	2013	2012	2013	2012	2013	2012
CRM and Strategic Data	133.2	137.8	30.5	30.5	37.4	37.3
Healthcare Professionals	75.2	78.6	9.9	9.2	17.5	16.3
Insurance and Services	45.3	44.3	8.6	10.0	12.1	12.9
Reconciliation	0.3	0.1	(2.0)	(1.4)	(1.8)	(1.1)
Cegedim	254.0	260.9	47.0	48.3	65.2	65.4

in € million	Revenue		EBIT before special items		EBITDA	
	12M		12M		12M	
	2013	2012	2013	2012	2013	2012
CRM and Strategic Data	452.8	482.9	38.3	37,6	62.7	64.0
Healthcare Professionals	288.8	287.3	35.5	35,6	59.7	59.4
Insurance and Services	160.0	151.2	24.7	22,4	38.6	34.5
Reconciliation	0.6	0.4	(6.4)	(5.5)	(5.3)	(4.3)
Cegedim	902.3	921.8	92.1	90.1	155.7	153.6

In order to provide more relevant information on its divisions that more closely reflects its internal reporting, Cegedim will now report on four divisions: *CRM and strategic data*, *Healthcare professionals*, *Insurance and services* and *Reconciliation* (for more information, please see the glossary in the appendix).

- **CRM and strategic data**

In 2013, the division's revenues came to €452.8 million, down 6.2% in reported terms. Acquisitions and divestments made a negative contribution of 0.4%, and currencies were also negative to the tune of 2.9%. Like-for-like revenues fell 3.0% over the period.

The *CRM and strategic data* division represented 50% of the Group's consolidated revenues in 2013 compared with 52% a year earlier.

The drop in revenues, excluding the impact of divestments and negative currency translation effects, was chiefly the result of a fewer number of CRM users in mature countries and difficulties at the market research business, which were partly offset by growth in the number of CRM users in emerging countries, Compliance activities, and offerings related to the *OneKey* database.

EBITDA fell 2.0% to €62.7 million. The decrease is mainly a reflection of lower revenues, partly offset by (i) lower operating costs as a result of cost-control efforts, and (ii) very robust growth in offerings related to the *OneKey* database and compliance products. Thus, EBITDA fell by only €1.3 million even though revenues were down by €30.0 million. The EBITDA margin climbed by 59 bps to 13.2% from 11.8% a year earlier.

The launch of new Compliance offerings, CRM tools for the medical devices market, and services related to *OneKey* are promising sources of future growth. The Group continues to pursue its investment policy, which will soon enable Cegedim to enrich its range of products for the medical affairs market, among other areas.

- **Healthcare professionals**

The division's reported 2013 revenues rose 0.6% to €288.8 million. Acquisitions continue to boost revenues, by 1.3%, and currencies had a negative impact of 1.1%. Like-for-like revenues rose 0.4% over the period.

The *Healthcare professionals* division represented 32% of consolidated Group revenues, compared with 31% the year before.

The increase in revenues, excluding acquisitions and currency translation, is mainly the result of stronger performances in the computerization of physicians, physical therapists and nurses in Europe, which were partly offset by pharmacists' hesitancy to invest in a challenging economic climate.

EBITDA rose 0.5% to €59.7 million. This increase reflects, most importantly, better margins in the computerization of physicians in Europe, particularly in France. Thus, EBITDA margin was stable at 20.7%.

- **Insurance and services**

The division's revenues came to €160.0 million in 2013, a 5.8% increase on both a reported and an organic basis. There were no divestments or acquisitions. Currency translation had only a marginal impact.

The *Insurance and services* division represented 18% of consolidated Group revenues, compared with 16% a year earlier.

Revenues were driven by stronger sales at all of the division's businesses:

- *Cegedim Assurances*, leading provider of software and services for the personal insurance market and for third-party payment flow management, following an already good performance in 2012;
- *Cegedim SRH*, provider of human resources solutions, which continues to garner numerous commercial successes, resulting in double-digit growth; and
- *Cegedim e-business*, provider of electronic document solutions, which generated brisk growth owing to the ramp-up of SEPA business.

EBITDA rose 11.7% to €38.6 million. This increase was chiefly due to *Cegedim e-business*, whose electronic document solutions benefited from growing SEPA activity, and *Cegedim SRH*, which develops human resources management solutions. The EBITDA margin rose 127 bps to 24.1%.

- **Reconciliation**

The division's revenues rose 49.3% to €0.6 million. Its contribution to Group revenues is not meaningful.

EBITDA fell to a loss of €5.3 million.

EBIT before exceptional items fell a loss of €6.4 million.

Financial resources

At 31 December 2013, Cegedim's consolidated balance sheet totaled €1,221 million, down from the year-end 2012 figure, primarily because of a €63.3 million impairment of goodwill in the *CRM and strategic data* division in the fourth quarter of 2013. Shareholders' equity shrunk by €79.4 million and represents 28.3% of total assets.

Acquisition goodwill, following the impact of the value impairment for intangible assets, amounted to €528.5 million, down from €613.7 million at the end of 2012. It represents 43.3% of total assets.

Cash and equivalents came to €67.0 million, up €23.5 million. Cash net of bank overdraft facilities came to €54.2 million.

Net financial debt was €462.0 million, versus €475.6 million at end-2012, meaning the Group reduced its debt by €13.6 million.

The Group was in compliance with all of its bank covenants at end-2013, with leverage of 2.68x

compared with 2.80x at December 31, 2012.

Before net cost of financial debt and taxes, cash flow was €152.6 million, an €11.6 million increase over end-2012.

2013 highlights

On March 20th, Cegedim issued a €300 million senior Reg S/144A bond with a coupon of 6.75% maturing April 1, 2020. The issue price was 100% of the nominal value. Cegedim used the proceeds to:

- Redeem 7% bonds maturing in 2015 as part of a redemption offer at a price of 108% on a principal amount of €111.5 million. Including accrued unpaid interest, the total amount was €121.5 million. There are €168.6 million in bonds still outstanding;
- Repay a term loan of €140 million;
- Repay amounts drawn on a revolving credit;
- Pay fees and charges related to these transactions.

On April 26th, 2013, Standard and Poor's upgraded its rating on Cegedim and its two bonds to "B+ with stable outlook".

Following the appointment of Valérie Raoul-Desprez to replace Jacques-Henri David in January 2013, [Cegedim](#) Board of Directors welcomed, last September, Anne-Sophie Hérelle as the permanent representative of Bpifrance. Anne-Sophie Hérelle replaced Nicolas Manardo.

In November 2013, [Cegedim](#) acquired [Webstar Health](#), the UK leader in health IT consulting and services for pharmacists. The deal adds to [Cegedim's](#) expertise and experience in managing primary care services in UK pharmacies. Financed by internal financing, the acquired business represents annual revenues of around €1.2 million and will contribute to the Group's consolidated figures from January 1, 2014.

In December 2013, [Cegedim](#) acquired certain assets from French company [Kadrige](#), a pioneer in SaaS e-detailing and collaborative solutions. The deal strengthens Cegedim's multi-channel offering with the addition of reliable and scalable solutions that fit seamlessly into its [Mobile Intelligence](#) CRM platform. The acquisition was financed by internal financing. The acquired assets represent annual revenues of around €2.5 million and will contribute to the Group's consolidated figures from January 1, 2014.

Apart from the items cited above, to the best of the company's knowledge, there were no events or changes during the period that would materially alter the Group's financial situation.

Significant post-closing transactions and events

To the best of the company's knowledge, there have been no post-closing events or changes that would materially alter the Group's financial situation.

Outlook

In a changing environment, [Cegedim](#) continues to prioritize debt reduction and is striving to improve its operational leverage.

For 2014, the Group expects at least stability in its revenues and operating margin.

Financial calendar

The Group will hold a conference call today March 10th, 2014, at 6:15 pm in English (Paris time). The call will be hosted by [Jan Eryk Umiastowski, Cegedim Chief Investment Officer and Head of Investor Relations](#). Cegedim's annual results presentation is available at:

<http://www.cegedim.com/finance/documentation/Pages/presentations.aspx>

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No Access Code Required**March 11, 2014** - 11h30am - Boulogne-Billancourt (France)

- SFAF meeting

April 29, 2014 (after the stock market closes)

- Q1 2014 Revenue announcement

May 27, 2014 (after the stock market closes)

- Q1 2014 Results announcement

July 29, 2014 (after the stock market closes)

- Q2 2014 Revenue announcement

September 18, 2014 (after the stock market closes)

- H1 2014 Results announcement

October 28, 2014 (after the stock market closes)

- Q3 2014 Revenue announcement

November 27, 2014 (after the stock market closes)

- Q3 2014 Results announcement

Additional information

The Audit Committee and the Auditors met on March 6th, 2014. The Board of Directors and the Auditors met on March 7th, 2014. Audit procedures have been performed and the 2012 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 will be fully available on the 2013 Reference Document at www.cegedim.com/finance soon.

Complete financial information is available on our website: www.cegedim.com/finance.

A presentation of Cegedim FY 2013 revenues is also available on the website.

[Appendices](#)

- Balance sheet

Assets

<i>In thousand of euros</i>	<i>12/31/2013</i>	<i>12/31/2012</i>
Goodwill on acquisition	528,465	613,727
Development costs	16,791	26,408
Other intangible fixed assets	207,097	183,714
Intangible fixed assets	223,888	210,122
Property	389	389
Buildings	4,764	5,766
Other tangible fixed assets	27,110	33,343
Construction work in progress	45	2,192
Tangible fixed assets	32,307	41,690
Equity investments	704	544
Loans	2,464	1,917
Other long-term investments	10,793	11,445
Long-term investments - excluding equity shares in equity method companies	13,960	13,906
Equity shares in equity method companies	8,599	8,143
Government - Deferred tax	42,121	57,855
Accounts receivable : Long-term portion	14,379	15,909
Other receivables : Long-term portion	894	726
Non-current assets	864,615	962,078
Services in progress	186	188
Goods	10,428	10,798
Advances and deposits received on orders	428	971
Accounts receivable : Short-term portion	229,958	215,223
Other receivables : Short-term portion	31,972	38,696
Cash equivalents	3,515	3,862
Cash	63,458	39,599
Prepaid expenses	16,618	16,881
Current assets	356,564	326,219
Total assets	1,221,179	1,288,297

Equity and Liabilities

<i>In thousand of euros</i>	<i>12/31/2013</i>	<i>12/31/2012</i>
Share capital	13,337	13,337
Issue premium	185,562	185,561
Group reserves	214,419	297,712
Group exchange reserves	(238)	(238)
Group exchange gains/losses	(8,996)	13,736
Group earnings	(58,634)	(85,351)
Shareholders' equity, Group share	345,449	424,757
Minority interests (reserves)	419	418
Minority interests (earnings)	(43)	89
Minority interests	376	507
Shareholders' equity	345,825	425,263
Long-term financial liabilities	513,650	457,103
Long-term financial instruments	8,905	13,207
Deferred tax liabilities	9,513	13,617
Non-current provisions	27,501	29,615
Other non-current liabilities	2,421	3,562
Non-current liabilities	561,988	517,104
Short-term financial liabilities	24,564	72,609
Short-term financial instruments	7	13
Accounts payable and related accounts	108,269	91,092
Tax and social liabilities	124,764	123,872
Provisions	5,840	4,533
Other current liabilities	49,922	53,810
Current liabilities	313,365	345,930
Total Liabilities	1,221,179	1,288,297

• Income statement

<i>In thousand of euros</i>	<i>12/31/2013</i>	<i>12/31/2012</i>
Revenue	902,256	921,773
Other operating activities revenue	-	-
Capitalized production	46,914	48,419
Purchases used	(108,287)	(111,513)
External expenses	(232,012)	(234,734)
Taxes	(14,255)	(14,658)
Payroll costs	(433,458)	(449,821)
Allocations to and reversals of provisions	(6,109)	(5,424)
Change in inventories of products in progress and finished products	(22)	(125)
Other operating income and expenses	650	(276)
EBITDA	155,677	153,642
Depreciation expenses	(63,544)	(63,522)
Operating income from continuing operations	92,133	90,120
Impairment of goodwill	(63,300)	(115,000)
Exceptional operating income and expenses	(3,241)	(9,886)
Other exceptional operating income and expenses	(66,541)	(124,886)
Operating income	25,592	(34,766)
Income from cash and cash equivalents	416	727
Gross cost of financial debt	(48,919)	(33,750)
Other financial income and expenses	(11,557)	(11,096)
Cost of net financial debt	(60,060)	(44,119)
Income taxes	(14,887)	(15,863)
Deferred taxes	(10,596)	8,265
Total taxes	(25,483)	(7,598)
Share of profit (loss) for the period of equity method companies	1,275	1,221
Consolidated profit (loss) for the period	(58,677)	(85,262)
Attributable To Owners Of The Parent (A)	(58,634)	(85,351)
Minority interests	(43)	89
Average number of shares excluding treasury stock (B)	13,948,887	13,964,700
Earnings Per Share (in euros) (A/B)	(4.2)	(6.1)
Dilutive instruments	-	-
Diluted Earnings Per Share (in euros)	(4.2)	(6.1)
Earning for recurring operation per share (in euros)	0.4	2.7

• Consolidated cash flow statement

<i>In thousand of euros</i>	12/31/2013	12/31/2012
Consolidated profit (loss) for the period	(58,677)	(85,262)
Share of earnings from equity method companies	(1,275)	(1,221)
Depreciation and provisions	127,421	178,495
Capital gains or losses on disposals	(397)	(2,723)
Cash flow after cost of net financial debt and taxes	67,072	89,289
Cost of net financial debt.	60,060	44,119
Tax expenses	25,483	7,598
Operating cash flow before cost of net financial debt and taxes	152,615	141,006
Tax paid	(12,451)	(28,097)
Change in working capital requirements for operations : surplus		
Change in working capital requirements for operations : requirement	9,424	4,033
Cash flow generated from operating activities after tax paid and change in working capital requirements (A)	149,588	116,942
Acquisitions of intangible assets	(51,051)	(51,993)
Acquisitions of tangible assets	(22,340)	(26,897)
Acquisitions of long-term investments	(2,914)	(2,090)
Disposals of tangible and intangible assets	4,674	1,149
Disposals of long-term investments	-	-
Impact of changes in consolidation scope	(1,697)	(18,587)
Dividends received from equity method companies	884	773
Net cash flows generated by investment operations (B)	(72,444)	(97,645)
Dividends paid to parent company shareholders	-	-
Dividends paid to the minority interests of consolidated companies	(94)	(62)
Loans issued	300,000	-
Loans repaid	(290,857)	(33,327)
Interest paid on loans	(43,413)	(30,413)
Other financial income and expenses paid or received	(8,339)	(5,345)
Net cash flows generated by financing operations (C)	(42,703)	(69,147)
Change In Cash without impact of change in foreign currency exchange rates (A + B + C)	34,441	(49,850)
Impact of changes in foreign currency exchange rates	(1,668)	(426)
Change in cash	32,773	(50,276)
Opening cash	21,454	71,730
Closing cash	54,227	21,454

Glossary

EPS: Earnings Per Share is a specific financial indicator defined by the Group as the net profit (loss) for the period divided by the weighted average of the number of shares in circulation.

Revenue at constant exchange rate: when changes in revenue at constant exchange rate are referred to, it means that the impact of exchange rate fluctuations has been excluded. The term, "at constant exchange rate" covers the fluctuation resulting from applying the exchange rates for the preceding period to the current fiscal year, all other factors remaining equal.

Revenue on a like-for-like basis: the effect of changes in scope is corrected by restating the sales for the previous period as follows:

- by removing the portion of sales originating in the entity or the rights acquired for a period identical to the period during which they were held to the current period;
- similarly, when an entity is transferred, the sales for the portion in question in the previous period are eliminated.

Life-for-like data : at constant scope and exchange rates.

Internal growth: internal growth covers growth resulting from the development of an existing contract, particularly due to an increase in rates and/or the volumes distributed or processed, new contracts, acquisitions of assets allocated to a contract or a specific project.

External growth: external growth covers acquisitions during the current fiscal year, as well as those which have had a partial impact on the previous fiscal year, net of sales of entities and/or assets.

EBIT: Earnings Before Interest and Taxes. EBIT corresponds to the net revenue minus operating expenses (such as salaries, social charges, materials, energy, research, services, external services, advertising, etc.). It is the operating income for the Cegedim group.

EBIT from recurring operations: this is EBIT restated to take account of non-current items, such as losses on tangible and intangible assets, restructuring, etc. It corresponds to the operating income from recurring operations for the Cegedim group.

EBITDA: Earnings before interest, taxes, depreciation and amortization. EBITDA is the term used when amortization or depreciation and revaluations are not taken into account. "D" stands for depreciation of tangible assets (such as buildings, machines or vehicles), while "A" stands for amortization of intangible assets (such as patents, licenses and goodwill). The EBITDA is restated to take account of non-current items, such as losses on tangible and intangible assets, restructuring, etc. It corresponds to the gross operating earnings from recurring operations for the Cegedim Group.

Net Financial Debt: this represents the Company's net debt (non-current and current financial debt, bank loans, debt restated at amortized cost and interest on loans) net of cash and cash equivalents and excluding revaluation of debt derivatives.

Free cash flow: free cash flow is cash generated, net of the cash part of the following items: (i) changes in working capital requirements, (ii) transactions on equity (changes in capital, dividends paid and received), (iii) capital expenditure net of transfers, (iv) net financial interest paid and (v) taxes paid.

Operating margin: Defined as the ratio of EBIT/revenue.

Operating margin from recurring operations: defined as the ratio of EBIT from recurring operations/revenue.

Net cash: defined as cash and cash equivalent minus overdraft.

Reconciliation: division encompasses the activities the Group performs as the parent company of a listed entity, as well as the support it provides to the three operating divisions. The support activities are invoiced to the client subsidiaries at market prices and notably include bookkeeping, human resources and cash management, legal assistance and marketing. The parent company activities are not billable and notably include managing Group strategy, producing consolidated information and financial communications. The *Reconciliation* division's activities are performed chiefly by the parent company, *Cegedim SA*, which also carries out certain operational activities, the most important of which is CRM. Previously, *Reconciliation* division activities had been housed within the division to which *Cegedim SA*'s principal operational activity belongs: *CRM and strategic data*. The new distinction will help to clarify the impact that this unit has on the Group's accounts.

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 8,000 people in more than 80 countries and generated revenue of €902 million in 2013. Cegedim SA is listed in Paris (EURONEXT: CGM). To learn more, please visit: www.cegedim.com
And follow Cegedim on Twitter: [@CegedimGroup](https://twitter.com/CegedimGroup)

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