

HALF-YEAR RESULTS – 30 JUNE 2005

NET PROFIT UP STRONGLY

Paris, 25 October 2005 – CEGEDIM, Europe's leading provider of integrated sales and marketing solutions specifically designed for the global pharmaceutical industry, announces revenues up 14.6% compared with the first half of 2004 and attributable net profit up 17.6 %.

First set of consolidated accounts published in IFRS	30/06/2005 IFRS €'000	30/06/2004 IFRS €'000	Var %
Turnover <i>TO</i>	245,541	214,299	14.6 %
Purchasing	- 16,641	- 13,665	21.8 %
External costs	- 75,603	- 63,363	19.3 %
Taxes (other than corporation tax)	- 4,984	- 4,318	15.4 %
Personnel costs	- 109,204	- 95,715	14.1 %
Amortization	- 12,757	- 13,791	- 7.5 %
Provisions	49	- 252	
Change in inventories	- 109	195	
Other income and charges	263	- 161	
Operating income <i>EBIT</i>	26,555	23,229	14.3 %
Operating margin <i>EBIT / TO</i>	10.8 %	10.8 %	
Financial income	2,654	1,521	
Cost of financial indebtedness	- 3,950	- 2,981	
Net financial costs	- 1,296	- 1,460	11.2 %
Corporation tax	- 9,386	- 8,073	16.3 %
Share of profits in affiliate undertakings	46	21	
Net consolidated income	15,919	13,717	16.1 %
Group share	16,053	13,653	17.6 %
Minority interests	- 134	64	
Result per share	1.7	1.5	

Consolidated revenues rose 14.6% compared with the first half of 2004 and attributable net profit grew by 17.6%.

The first half of 2005 was characterized by good control over personnel costs (up 14.1%), which are the key component in the cost price of Cegecim's services offering. It is periodically necessary to adjust staff size to meet changing demands. To do so the company increasingly relies on outsourcing, which boosts external costs. Purchasing costs also increased significantly, notably due to the surge in leasing activities targeting pharmacists and ad hoc sales.

As a result of these factors, EBIT rose by 14.3%, giving an EBIT margin of 10.8%, on par with H1 2004. It is worth noting that, as expected, core business EBIT margin rose strongly. By contrast, also as expected, the Healthcare professionals sector did not match the record-setting performance it generated in H1 2004. These trends are in line with forecasts and reinforce the company's scenario of stronger EBIT margin growth in the second half.

The net financial costs declined relative to a year earlier and the company kept its effective tax rate under control, resulting in robust consolidated net profit growth.

Operating margin - IFRS - €'000	30/06/2005			30/06/2004
	Turnover	EBIT	EBIT / TO	EBIT / TO
Healthcare and strategic data	203,524	25,905	12.7 %	13.2 %
CRM and strategic data	110,115	18,203	16.5 %	15.7 %
Healthcare professionals	54,906	5,278	9.6 %	10.1 %
Insurance services	38,503	2,424	6.3 %	10.6 %
Technologies and services	42,017	650	1.5 %	- 1.2 %
Total	245,541	26,555	10.8 %	10.8 %

Healthcare and strategic data

Businesses that cater to pharmaceutical companies ("CRM and strategic data") generated 14% revenue growth and a 20% increase in underlying operating profit. The company's recent external growth operations have been a success, notably Target Software in the US. Operating margin will continue to climb in the second half.

The "Healthcare professionals" sector (doctors and pharmacists) generated very dynamic growth, with margins up strongly. The only exception was, as expected, doctor's software in the UK, which more than offset the other activities' gains. As a result, operating margin came to 9.6% as of 30 June 2005, compared with 10.1% a year earlier. As a reminder, the doctor's software activity turned in a record performance in 2004, with most of the achievement concentrated in the first half. Consequently, the comparison basis for the first half of 2005 was very challenging. The division will overcome this effect gradually over the course of the second half, ending the year with a slightly higher operating margin for the division as a whole than in 2004.

Insurance services activities posted 11% revenue growth but were unable to duplicate that performance at the earnings level, especially at Soltim-Proval. Aside from the fact that business conditions were less favorable than they were last year, the main culprits were personnel costs (relatively higher due to a change in social charges scheme) and the sales mix (recurring contracts with two clients who are closing up one branch were cancelled early and replaced in the mix by less profitable ad hoc work).

Technologies and services

As a whole, the division's sales rose 17%, which enabled it to generate an operating profit in the first half. Certain businesses' customary seasonality guarantees that the division's significant earnings growth will continue in the second half.

Outlook for the full year

CEGEDIM's stated targets for 2005 are unchanged: sales of €475 million to €480 million and a higher operating margin than in 2004.

About CEGEDIM:

CEGEDIM develops strategic databases and healthcare information services for pharmaceutical firms and healthcare sector professionals.

The group's exclusive databases empower pharmaceutical companies to better understand where, why and by whom their products are prescribed and sold. CEGEDIM also provides vital support for successful CRM (Customer Relationship Management) and sales effectiveness measurement.

Founded in 1969, now European leader and established as the only European company operating globally in this market, CEGEDIM employs 4,400 people in 58 countries and generated turnover of €434 million in 2004. To learn more, please see our website: www.cegedim.com.

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